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FISH, FRESH, CHILLED, OR FROZEN, WHETHER OR NOT WHOLE, BUT NOT OTHERWISE PREPARED OR PRESERVED, FROM CANADA

Determination of No Material Injury or Threat Thereof in Investigation No. 701-TA-40 (Final) Under Section 104(a) of the Trade Agreements Act of 1979, Together With the Information Obtained in the Investigation

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United States International Trade Commission / Washington, D.C. 20436

I

UNITED STATES INTERNATIONAL TRADE COMMISSION

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United States International Trade Commission
Washington, D.C.

[701-TA-40 (Final)]

FISH, FRESH, CHILLED, OR FROZEN, WHETHER OR NOT WHOLE, BUT NOT OTHERWISE PREPARED OR PRESERVED, FROM CANADA

Determination

On the basis of the record 1/ developed in investigation No. 701-TA-40 (Final), the Commission determines, 2/ pursuant to section 104(a)(2) of the Trade Agreements Act of 1979, that an industry in the United States is not materially injured, is not threatened with material injury, and that the establishment of an industry is not materially retarded by reason of imports of fish, fresh, chilled, or frozen, whether or not whole, but not otherwise prepared or preserved, provided for in TSUS items 110.35, 110.50, and 110.55, from Canada, with respect to which the Department of Commerce has reported that a subsidy is being provided in the amount of 1.08 percent of the f.o.b. import prices of such fish harvested in the Atlantic region of Canada, and which are subject to outstanding countervailing duty orders, but for which the imposition and collection of such duties have been waived.

Background

Section 104(a) of the Trade Agreements Act of 1979 (P.L. 96-39, July 26, 1979) requires that the United States International Trade Commission make an injury determination in those cases in which the Commission has received the most current net subsidy information pertaining to any countervailing duty order in effect on January 1, 1980, which had been waived pursuant to section 303(d) of the Tariff Act of 1930 or which had been published on or after the date of enactment of the Trade Agreements Act of 1979.

1/ The "record" is defined in sec. 207.2(j) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(j)).

2/ Concurring in the unanimous negative determination were Vice Chairman Bill Alberger and Commissioners George M. Moore, Paula Stern and Michael J. Calhoun. Chairman Bedell did not participate in the determination.

On January 2, 1980, the Commission received advice from the U.S. Department of Commerce, the administering authority under the provisions of the Trade Agreements Act of 1979, that a countervailing duty order that had been waived pursuant to section 303(d) of the Tariff Act of 1930 (19 U.S.C. 1303(d)), was in effect on January 1, 1980, with respect to fish from Canada. On February 5, 1980, the Commission received from the Department of Commerce, the most current net subsidy information available with respect to the countervailing duty order(s) on fish from Canada. Accordingly, the Commission instituted investigation No. 701-TA-40 (Final) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports of fish, fresh, chilled, or frozen, whether or not whole, but not otherwise prepared or preserved, provided for in TSUS items 110.35, 110.50, and 110.55, from Canada, which are subject to the outstanding waived countervailing duty order(s).

Notice of the Commission's investigation and of the public hearing to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C. and at the Commission's New York City Office, and by publishing the notice in the Federal Register of February 22, 1980 (45 F.R. 11938). The public hearing for this investigation was held in Washington, D.C. on April 21, 1980, and all persons who had requested the opportunity were permitted to appear in person or through counsel.

Views of Vice Chairman Bill Alberger and
Commissioner Michael J. Calhoun

On the basis of the record developed in investigation 701-TA-40 (Final), we determine pursuant to section 104(a)(2) of the Trade Agreements Act of 1979 that an industry in the United States is not materially injured, and is not threatened with material injury, and the establishment of an industry is not materially retarded 1/, by reason of imports of fish, fresh, chilled, or frozen, whether or not whole, but not otherwise prepared or preserved, provided for in TSUS items 110.35, 110.50, and 110.55, from Canada with respect to which the Department of Commerce has reported that a subsidy is being provided in the amount of 1.08 percent of the f.o.b. import price of the fish harvested in the Atlantic region of Canada, 2/ and which are subject to outstanding countervailing duty orders, but for which the imposition and collection of countervailing duties have been waived.

The domestic industry and the product in question

Section 771(4) of the Tariff Act of 1930 (19 U.S.C. 1677(4)) provides in part as follows:

> "(A) In General.--The term 'industry' means the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."
>
> "(D) Product Lines.--The effect of subsidized or dumped imports shall be assessed in relation to the United States production of a like product if available that permit the separate identification of production in terms of such criteria as the production process or the producers' profits. If the domestic production of the like product has no separate identity in terms of such criteria, then the effect of the subsidized or dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes a like product, for which the necessary information can be provided."

1/ Since fish of the species and types that are subject to countervailing duty waivers and that are the subject of this investigation are produced by numerous fishermen and processors, the establishment of an industry is not at issue in this investigation and will not be discussed further.

2/ The Department of Commerce also found that fish harvested on the Pacific Coast of Canada were benefitting from Canadian subsidies of 0.38 percent, which the Dept. of Commerce has declared as legally de minimis. The Commission has no power in this investigation to consider any injurious impact of such imports of fish harvested off the Pacific Coast of Canada. Objections on this issue (Counsel for the Fisherman's Marketing Association of Seattle, Washington has raised such concerns in a submission for the Record) must be raised with the Department of Commerce, not with the Commission.

Section 771(10) (19 U.S.C. 1677(10)) provides that:

> "The term "like product" means a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title."

In this investigation we have concluded that the appropriate domestic industry against which the impact of subsidized imports of fish from Canada should be measured consists of those facilities in the United States producing the following two categories of like merchandise:

> (1) Fish that are whole, fresh, chilled or frozen or, if not whole, fish that are processed only by the removal of heads, viscera, fins or any combination therof, but which are not otherwise processed, 1/ and
>
> (2) certain fish that are "otherwise processed" (but not merely by scaling and not including fish that are skinned and boned and frozen into blocks each weighing over 10 pounds), whether or not heads, viscera, fins, scales, or any combination therof, have been removed. 2/

The fish covered by the two categories under consideration are virtually all groundfish, deriving that name from the fact that they live at or near the sea bottom (or the ground). All of the fish species discussed here are collectively referred to as "groundfish." The principal species of whole groundfish covered are Atlantic ocean perch (including rosefish), flatfish (except halibut), wolf fish and whiting. The principal species of groundfish fillets covered are Atlantic ocean perch (including rosefish), cod, cusk, haddock, hake, and pollock.

Some 700 New England and 300 west coast fishing vessels land such groundfish in the United States. Since almost all of the catch of these vessels is converted into fillets, they are part of the industry that produces the

---

1/ The fish in this category are referred to as "whole fish."
2/ The fish in this category are referred to as "fillets", since virtually all the fish in this category are fillets, even though minor portions of other cuts of fish, such as fish steaks, are also included.

subject fillets. They are also harvesters of the whole fish under investigation. There are approximately 100 firms in the United States producing fillets like those imported Canadian fillets subject to countervailing duty waivers. Many of these firms also produce fillets from both domestic and imported fish. Of the 100 processing firms, 71 are on the Atlantic coast.

Section 771(4)(C) of the Tariff Act of 1930 provides that, in appropriate circumstances, the United States, for a particular product market, may be divided into 2 or more markets and the producers within each market may be treated as if they were a separate industry if--

> (i) the producers within such market sold all or almost all of their production of the like product in question in that market, and
>
> (ii) the demand in that market is not supplied to any substantial degree, by producers of the product in question located elsewhere in the United States.

In such appropriate circumstances, section 771(4)(c) continues, material injury, the threat of material injury, or material retardation of the establishment of an industry may be found to exist with respect to an industry, even if the domestic industry as a whole, or those producers whose collective output of a like product constitutes a major proportion of the total domestic production of that product, is not injured, if there is a concentration of subsidized or dumped imports into such an isolated market and if the producers of all, or almost all, of the production within that market are being materially injured or threatened with material injury, or if the establishment of an industry is being materially retarded, by reason of the subsidized or dumped imports.

Fishermen and fish processors in the Northeastern States sell all or almost all of their product in the Northeastern States and the demand for subject fish in the Northeastern States is not supplied, to any substantial degree, by producers outside that region. The movement of imports is generally from the Atlantic region of Canada to the Northeastern United States, and from the Pacific region of Canada to the west coast. We find in this case, that the criteria for a regional industry are met. Although the criteria required for consideration of a regional industry have been met, such identification is not necessary in this case since we would not find injury to the domestic industry whether the industry is defined in terms of the entire United States or in terms of the Eastern region.

Discussion

During the period 1976-79, U.S. output of the whole and filleted groundfish subject to this investigation, converted to fillet weight, rose annually from 100 million pounds in 1974 to 138 million pounds in 1979, and east coast output rose from 86 million pounds in 1975 to 114 million pounds in 1978.

Imports from Canada of whole and filleted groundfish subject to countervailing duty waivers rose irregularly from 82 million pounds in 1974 to 115 million pounds in 1979. The market share held by such imports amounted to 23.3 percent in 1974 and 23.5 percent in 1979. Imports of such fish from Canada not subject to countervailing duty waivers and imports of like fish products from countries other than Canada were far larger than the subject imports, bringing the total ratio of imports to U.S. consumption to more than 70 percent for each of the years during the 1974-79 period.

Imports from eastern Canada subject to countervailing duty waivers rose from 93 million pounds in 1975 to 101 million pounds in 1978; they accounted for 23.6 percent of east coast consumption in 1975 and 22.5 percent of east coast consumption in 1978. Imports of like products from all sources not subject to countervailing duty waivers push the ratio of imports to east coast consumption up to 78.2 percent in 1975 and 74.5 percent in 1978.

The domestic industry's output has been affected by numerous factors including (1) conservation quotas established in the last several years for numerous species of fish that had suffered depleted stocks owing to overfishing prior to the expansion of the U.S. territorial limit for domestic fisheries to 200 miles from shore, (2) licensing of foreign vessels to fish within the expanded 200-mile limit, and (3) possible overexpansion of the U.S. fishing fleet in response to the expansion of the territorial limit, leaving the potential fishing resources per vessel lower than it had been previously.

In a recent investigation under section 201 of the Trade Act of 1974 (Inv. No. TA-201-41), concluded in January 1980, the Commission sent more than 700 questionnaires concerning profitability to fisherman and processors throughout the United States and received only 6 complete responses, none of which were from east coast fishermen. In investigations conducted by this Commission, the injury to a domestic industry must be demonstrated by the data which are accumulated by the Commission's investigation and the data which are submitted by the petitioner and those in support of the petition. Where the petitioner fails to bring forth any data--either directly or through responses to Commission questionnaires--that silence may not be construed as evidence of injury. That silence may, in the right case, lead to the inference that there is no injury to a domestic industry, since we assume that injured parties would desire that evidence of injury be brought to the Commission's

attention. There is no need to draw such an inference here, however, since the evidence adduced by the investigation--without the questionnaire responses from the domestic industry--clearly demonstrates that there is no injury to a domestic industry.

On the average, the ex-vessel prices for east coast groundfish, except flounder, were at record levels in December 1979 and, on the average, were substantially higher throughout 1979, than in previous years, indicating the absence of price suppression or depression in the market most affected by imports of the fish subject to countervailing duty waivers.

Sections 771(7)(B) and (C) of the Act require the consideration of the volume of imports, their effect on domestic prices, and their impact on domestic producers of a like product using guidelines of certain specific economic factors. The following are our findings based on the record in this investigation.

Findings of Fact

A. Volume of imports

1. Total U.S. imports from Canada of whole groundfish subject to countervailing duty waivers increased from 2.9 million pounds, round weight in 1974 to 4.4 million pounds in 1978, and 9.5 million pounds in 1979 (Report, table 14, p. A-48). U.S. imports from the Atlantic region of Canada of whole groundfish subject to countervailing duty waivers into the eastern United States increased from 2.1 million pounds in 1975 to 2.7 million pounds in 1976, fell to 2 million pounds in 1977 and rose to 3.7 million pounds in 1979 (Report, table J-15, p. A-112).

2. Total U.S. imports from Canada of filleted groundfish subject to countervailing duty waivers rose from 81 million pounds in 1974 to 97 million pounds in 1975, fell to 79 million pounds in 1977, and rose to 112 million pounds in 1979 (Report, table 15, p. A-48). Imports into the eastern United States from the Atlantic region of Canada of filleted groundfish subject to

countervailing duty waivers fell from 93 million pounds in 1975 to 78 million pounds in 1977 and rose to 111 million pounds in 1979 (Report, table J-16, p. A-112).

3. The ratio of all subsidized imports of whole groundfish from Canada subject to countervailing duty waivers to U.S. consumption was 1.2 percent in 1974, remained in the range of 1.5-1.6 percent each year during the period 1975-78, and rose to 3.5 percent in 1979 (Report, table 14, p. A-48). The ratio of imports of whole groundfish subject to countervailing duty waivers from the Atlantic region of Canada into the eastern United States rose from 0.9 percent in 1975 to 1.3 percent in 1976, fell to 0.9 percent in 1977 and 1978, and rose to 1.5 percent in 1979 (Report, table J-15, p. A-112). The ratio of such imports from eastern Canada to total U.S. consumption of whole groundfish amounted to 0.9 percent in 1975, 1.1 percent in 1976, 0.8 percent in 1977 and 1978, and 1.4 percent in 1979 (Report, tables 14 and J-15, at pp. A-48 and A-112).

4. The ratio of all subsidized imports of filleted groundfish from Canada subject to countervailing duty waivers to total U.S. consumption of filleted groundfish rose from 38.5 percent in 1974 to 39.4 percent in 1975, fell to 28.6 percent in 1977, and rose again to 34.4 percent in 1979 (Report, table 15, p. A-48). The ratio of imports of filleted groundfish from the Atlantic regions of Canada subject to countervailing duty waivers to eastern U.S. consumption fell from 40.3 percent in 1975 to 30.3 percent in 1977 and rose to 36.3 percent in 1979 (Report, table J-16, p. A-112). The ratio of such imports from the Atlantic region of Canada to total U.S. consumption amounted to 37.7 percent in 1975, 32.7 percent in 1976, 28.3 percent in 1977, 33.1 percent in 1978 and 34.0 percent in 1979 (Report, tables 15 and J-16, at pp. A-48 and A-112).

5. Imports of the fish products from Canada covered by countervailing duty waivers are smaller in volume and account for lower import penetration in the U.S. market or the east coast U.S. market than do other imports of like products from Canada and imports of like products from other countries (Report, tables 14-1 and J-15-J-17, pp. A-48, A-49 and A-112 and A-113).

6. The most rapid growth in imports from Canada has occurred during the period in which Canada was in the process of eliminating its subsidy payments to fishermen and processors. Prior to March 31, 1978, the Canadian subsidies amounted to 17.22 percent of the f.o.b. value of Canadian exports; from April 1, 1978 through September 30, 1978, the subsidies amounted to 5.22 percent, and since October 9, 1978, the subsidy has amounted to 1.22 percent or less (Report, p. A-7).

B. Effect of imports on U.S. prices

7. Between January 1976 and January 1979, the east coast prices of ocean perch rose by 70 percent, and the price of yellowtail flounder rose by 33 percent. In comparison, the Bureau of Labor Statistics index of meat, fish, and poultry prices rose by only 26 percent during the period. December 1979 prices for most of the fish considered herein were at record levels and, in general, 1979 prices for whole fish were at higher levels than in previous years, and prices of domestic fillets have risen sharply in recent years despite increased imports from Canada (Report, pp. A-52-A-61, tables 17-22).

8. Despite the presence of underselling of the domestic product in the U.S. market the bulk of the importers' product is sold in the frozen form and the bulk of the domestic product is sold in the fresh form. Frozen fish products are ordinarily sold at a lower price than fresh fish products because of quality, taste, and texture considerations (Report, A-12 and A-50).

C. Impact on domestic producers of the like product

9. U.S. landings of whole groundfish of species subject to countervailing duty waivers rose irregularly from 223 million pounds, round weight, in 1974 to 255 million pounds in 1978 but fell slightly to 249 million pounds in 1979 (Report, table 14, p. A-48). East coast landings of whole groundfish of the species subject to countervailing duty waivers, rose annually from 180 million pounds, round weight, in 1975 to 211 million pounds, round weight, in 1979 (Report, table J-15, p. A-112).

10. U.S. production of filleted groundfish of the species subject to countervailing duty waivers rose from 46 million pounds, fillet weight, in 1974 and 1975, to 73 million pounds, fillet weight, in 1979 (Report, table 15, p. A-48). East coast production also increased annually, from 32 million pounds in 1975 to 58 million pounds in 1979 (Report, table J-16, p. A-112).

11. U.S. capacity to catch groundfish of the types under investigation, in numbers of fishing vessels, has expanded in recent years, but conservation quotas on the east coast, the licensing of foreign vessels to fish within the 200 mile limits (Report, pp. A-18-A-21), and the sharing of the limited resources among an expanded number of vessels may have prevented the U.S. fishing fleet from operating at full capacity. On the west coast, trip limits by processors, because supply was outstripping demand, has resulted in declining capacity utilization (Report, pp. A-120-A-122).

12. U.S. inventories of frozen ocean perch fillets in December 1979 were higher than in any year since 1973, except 1974. U.S. inventories of frozen cod fillets were higher in December 1979 than in December of 1978 or 1976, but were lower than the December 1978 levels. Inventories of frozen haddock fillets were lower in December 1979 than in any preceding year of the 1973-79 period (Report, p. A-34).

13. U.S. employment in the domestic groundfish industry has probably expanded in recent years in line with the expansion of production and the expansion of the fishing fleet. In Massachusetts, employment increased by 11 percent between 1974 and 1977, and the number of Gloucester fishermen grew from 650 in 1976 to 1,000 in 1978 (Report, pp. A-34 and A-35).

14. No response on their financial statistics was received from any east coast groundfishermen during the Commission's recent investigation of fish under section 201 of the Trade Act of 1974, but six responses received from west coast fishermen indicated increasing profits from 1975 through 1978 and a reduction in profits in 1979 (Report, pp. A-35-A-37). The reduced profits for the west coast fishermen may be attributable to trip limits established by processors and may not be reflective of profits of east coast fishermen.

15. U.S. fishermen and fish processors have alleged sales lost to imports of fish from Canada, however, the largest volume of fish from Canada is of fish not covered by the current investigation, these have previously been been investigated by the Commission and have been found not to be injurious to the domestic industry (Report, A-46, A-47, and A-63).

16. Since many of the fish products are interchangeable with one another in the market place, total demand for the subject fish is also directly affected by imports of similar species of fish at the same and at different stages of processing. Any injury to the domestic industry resulting from any imports of fish products is more likely to be caused by those not covered by this investigation, than by imports of fish subject to countervailing duty waivers, which account for less than 3 percent of total fish imports (Report, p. A-47).

17. No information has been received by the Commission regarding return on investment, wages, cash flows, or the ability to raise capital.

Conclusions of Law

A. The appropriate domestic industry against which the impact of subsidized imports of fish from Canada should be measured consists of those facilities in the United States producing:

> (1) Fish that are whole, fresh, chilled or frozen or, if not whole, fish that are processed only by the removal of heads, viscera, fins or any combination thereof, but which are not otherwise processed, and
>
> (2) certain fish that are "otherwise processed" (but not merely by scaling and not including fish that are skinned and boned and frozen into blocks each weighing over 10 pounds), whether or not heads, viscera, fins, scales, or any combination thereof, have been removed.

B. The domestic industry is not materially injured or threatened with material injury by reason of subsidized imports of fish from Canada which are subject to countervailing duty waivers.

Views of Commissioner George M. Moore

For the Commission to make an affirmative determination in this investigation, the Commission must find that an industry in the United States is materially injured, or is threatened with material injury, or that the establishment of an industry in the United States is materially retarded, 1/ by reason of imports of fish, fresh, chilled, or frozen, whether or not whole, but not otherwise prepared or preserved, provided for in TSUS items 110.35, 110.50, and 110.55, from Canada, which are the subject of outstanding waived countervailing duty orders.

The nature and extent of the subsidy

The Department of Commerce reported to the Commission that a subsidy is being provided in the amount of 1.08 percent of the f.o.b. import price of specified fish products harvested in the Atlantic region of Canada and that a subsidy is being provided in the amount of 0.38 percent of the f.o.b. import price of specified fish products harvested in other regions of Canada, but that only the subsidies applicable to fish harvested in the Atlantic region of Canada are more than de minimis. The earlier history of this case is outlined fully in the Commission's report.

The domestic industry and the product in question

In this investigation I find that the appropriate domestic industry against which the impact of subsidized imports from Canada (subject to countervailing

1/ Since fish of the species and types that are subject to countervailing duty waivers and that are the subject of this investigation are produced by numerous fishermen and processors, the establishment of an industry is not at issue in this investigation and will not be discussed further.

duty waivers) should be measured consists of those facilities in the United States producing the following two categories of like merchandise:

> (1) Fish that are whole, fresh, chilled or frozen or, if not whole, fish that are processed only by the removal of heads, viscera, fins or any combination therof, but which are not otherwise processed, 1/ and
>
> (2) certain fish that are "otherwise processed" (but not merely by scaling and not including fish that are skinned and boned and frozen into blocks each weighing over 10 pounds), whether or not heads, viscera, fins, scales, or any combination therof, have been removed. 2/

The principal species of whole groundfish 3/ covered by this investigation are Atlantic ocean perch (including rosefish), flatfish (except halibut), wolf fish and whiting. The principal species of groundfish fillets covered by the investigation are Atlantic ocean perch (including rosefish), cod, cusk, haddock, hake, and pollock.

The movement of groundfish imports is generally from the Atlantic region of Canada to the Northeastern United States, and from the Pacific region of Canada to the west coast, but since the subsidies found by Commerce were more than de minimis only for fish harvested in the Atlantic region of Canada, the relevant industry in this investigation consists of the fishermen and processors located on the east coast of the United States.

However, regardless of whether the relevant U.S. industry is composed of all vessels that land groundfish of the subject species in the United States and all processing plants that produce groundfish fillets, or only those vessels that land their catch on the east coast of the United States and the filleting

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1/ The fish in this category are referred to as "whole fish."

2/ The fish in this category are referred to as "fillets", since virtually all of the fish in this category are fillets, even though minor portions of other cuts of fish, such as fish steaks, are also included.

3/ Since virtually all of the fish species covered by countervailing duty waivers live at or near the sea bottom (or ground), they are referred to in these views collectively as "groundfish".

plants on the east coast of the United States, my determination in this investigation is the same; namely, that the domestic industry is not materially injured or threatened with material injury by reason of imports of such fish from Canada that are subject to countervailing duty waivers.

The question of material injury

(a) The volume of subsidized imports subject to countervailing duty waivers.--Total U.S. imports from Canada of whole groundfish subject to countervailing duty waivers increased from 2.9 million pounds, round weight, in 1974 to 4.4 million pounds in 1978, and 9.5 million pounds in 1979. 1/ U.S. imports from the Atlantic region of Canada of whole groundfish subject to countervailing duty waivers into the eastern United States increased from 2.1 million pounds in 1975 to 2.7 million pounds in 1976, fell to 2 million pounds in 1977 and rose to 3.7 million pounds in 1979. 2/

Total U.S. imports from Canada of filleted groundfish subject to countervailing duty waivers rose from 81 million pounds in 1974 to 97 million pounds in 1975, fell to 79 millions pounds in 1977, and rose to 112 million pounds in 1979. 3/ Imports into the eastern United States from the Atlantic region of Canada of filleted groundfish subject to countervailing duty waivers fell from 93 million pounds in 1975 to 78 million pounds in 1977 and rose to 111 million pounds in 1979. 4/

The ratio of all subsidized imports of whole groundfish from Canada subject to countervailing duty waivers to U.S. consumption was 1.2 percent

1/ Staff report at p. A-48, table 14.
2/ Staff report at p. A-112, table J-15.
3/ Staff report at p. A-48, table 15.
4/ Staff report at p. A-112, table J-16.

in 1974, remained in the range of 1.5-1.6 percent each year during the period 1975-78, and rose sharply to 3.5 percent in 1979. 1/ The ratio of imports of whole groundfish subject to countervailing duty waivers from the Atlantic region of Canada into the eastern United States rose from 0.9 percent in 1975 to 1.3 percent in 1976, fell to 0.9 percent in 1977 and 1978, and rose to 1.5 percent in 1979. 2/ The ratio of such imports from eastern Canada to total U.S. consumption of whole groundfish amounted to 0.9 percent in 1975, 1.1 percent in 1976, 0.8 percent in 1977 and 1978, and 1.4 percent in 1979. 3/

The ratio of all subsidized imports of filleted groundfish from Canada subject to countervailing duty waivers to total U.S. consumption of filleted groundfish rose from 38.5 percent in 1974 to 39.4 percent in 1975, fell to 28.6 percent in 1977, and rose again to 34.4 percent in 1979. 4/ The ratio of imports of filleted groundfish from the Atlantic region of Canada subject to countervailing duty waivers to eastern U.S. consumption fell from 40.3 percent in 1975 to 30.3 percent in 1977 and rose to 36.3 percent in 1979. 5/ The ratio of such imports from the Atlantic region of Canada to total U.S. consumption amounted to 37.7 percent in 1975, 32.7 percent in 1976, 28.3 percent in 1977, 33.1 percent in 1978 and 34.0 percent in 1979. 6/

The ratio of combined imports from Canada of whole and filleted groundfish subject to countervailing duty waivers accounted for 23.3 percent of U.S. consumption in 1974 and 23.5 percent of U.S. consumption in 1979. The ratio of combined imports from the Atlantic region of Canada of whole and

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1/ Staff report at p. A-48, table 14.
2/ Staff report at p. A-112, table J-15.
3/ Staff report at p. A-48 and A-112, tables 14 and J-15.
4/ Staff report at p. A-48, table 15.
5/ Staff report at p. A-112, table J-116.
6/ Staff report at pp. A-48 and A-112, tables 15 and J-16.

filleted groundfish subject to countervailing duty waivers to eastern U.S. consumption amounted to 23.6 percent in 1975 and 22.5 percent in 1978. 1/

The most rapid growth in imports from Canada has occurred during the period in which Canada was in the process of eliminating its subsidy payments to fishermen and processors. Prior to March 31, 1978, the Canadian subsidies amounted to 17.22 percent of the f.o.b. value of Canadian exports; from April 1, 1978 through September 30, 1978, the subsidies amounted to 5.22 percent, and since October 9, 1978, the subsidy has amounted to 1.22 percent or less. 2/

(b) Price effects of subsidized imports.--Between January 1976 and January 1979, the east coast prices of ocean perch rose by 70 percent, and the price of yellowtail flounder rose by 33 percent. In comparison, the Bureau of Labor Statistics index of meat, fish, and poultry prices rose by only 26 percent during the period. December 1979 prices for most of the fish considered herein were at record levels and, in general, 1979 prices for whole fish were at higher levels than in previous years, and prices of domestic fillets have risen sharply in recent years despite increased imports from Canada. 3/ These factors indicate the absence of price suppression or price depression in the domestic industry.

Despite the presence of underselling of the domestic product in the U.S. market the bulk of the importers' product is sold in the frozen form and the

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1/ Staff report at pp. A-49 and A-113; tables 16 and J-17.
2/ Staff report at p. A-7.
3/ Staff report at pp. A-51-A-61, tables 17-22.

bulk of the domestic product is sold in the fresh form. Frozen fish products are ordinarily sold at a lower price than fresh fish products because of quality, taste, and texture considerations.

(c) Impact of subsidized imports on the domestic industry.--U.S. landings of whole groundfish of species subject to countervailing duty waivers rose irregularly from 223 million pounds, round weight, in 1974 to 255 million pounds in 1978 but fell slightly to 249 million pounds in 1979. 1/ East coast landings of the subject whole groundfish rose annually from 180 million pounds, round weight, in 1975 to 211 million pounds, round weight, in 1979. 2/

U.S. production of the subject filleted groundfish rose from 46 million pounds, fillet weight, in 1974 and 1975, to 73 million pounds, fillet weight in 1979. 3/ East Coast production also increased annually from 32 million pounds in 1975 to 58 million pounds in 1979. 4/

U.S. inventories of frozen ocean perch fillets in December 1979 were higher than in any year since 1973, except 1979. U.S. inventories of frozen cod fillets were higher in December 1979 than in December of 1978 or 1976, but were lower than the December 1977 levels. Inventories of frozen haddock fillets were lower in December 1979 than in any preceding year of the 1973-79 period. 5/

U.S. employment in the domestic groundfish industry has probably expanded in recent years in line with the expansion of production and the expansion of

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1/ Staff report at p. A-48, table 14.
2/ Staff report at p. A-112, table J-15.
3/ Staff report at p. A-48, table 15.
4/ Staff report at p. A-112, table J-16.
5/ Staff report at pp. A-33 and A-34.

the fishing fleet. In Massachusetts, employment increased by 11 percent between 1974 and 1977, and the number of Gloucester fishermen grew from 650 in 1976 to 1,000 in 1978. 1/

No response on their financial statistics was received from any east coast groundfishermen during the Commission's recent investigation of fish under section 201 of the Trade Act of 1974 (Investigation No. TA-201-41), but six responses received from west coast fishermen indicated increasing profits from 1975 through 1978 and a reduction in profits in 1979. 2/

U.S. fishermen and fish processors have alleged sales lost to imports of fish from Canada, however, the largest volume of such fish from Canada is not covered by this investigation. 3/

Conclusion

I determine that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of fish, fresh, chilled, or frozen, whether or not whole, but not otherwise prepared or preserved, provided for in TSUS items 110.35, 110.50, and 110.55, from Canada, which are the subject of waived countervailing duty orders.

1/ Staff report at pp. A-34 and A-35.
2/ Staff report at pp. A-36 and 39.
3/ Staff report at pp. A-46 and A-63.

Views of Commissioner Paula Stern

Introduction

For the Commission to make a determination in this investigation, pursuant to section 104(a)(2) of the Trade Agreements Act of 1979, it must find that an industry in the United States is materially injured, or is threatened with material injury, or that the establishment of an industry in the United States is materially retarded, 1/ by reason of imports of fish, fresh, chilled, or frozen, whether or not whole, but not otherwise prepared or preserved, provided for in TSUS items 110.35, 110.50, and 110.55, from Canada, which are the subject of outstanding waived countervailing duty orders.

The relevant domestic industry in this investigation consists of fishermen in the Northeastern States who harvest fish of the species imported from Canada in whole or fillet form that are subject to countervailing duty waivers and processors in the Northeastern States that produce fillets like those imported from Canada that are subject to countervailing duty waivers. There are almost no indications of material injury to this industry. Furthermore, no causal linkage has been established between the imports and any alleged problems of the domestic producers.

The nature and extent of the subsidy

The Department of Commerce has reported to the Commission that a subsidy is being provided in the amount of 1.08 percent of the f.o.b. import price of specified fish products harvested in the Atlantic region of Canada and that a subsidy is being provided in the amount of 0.38 percent of the f.o.b. import

1/ Since fish of the species and types that are subject to countervailing duty waivers and that are the subject of this investigation are produced by numerous fishermen and processors, the establishment of an industry is not at issue in this investigation and will not be discussed further.

price of specified fish products harvested in other regions of Canada, but that only the subsidies applicable to fish harvested in the Atlantic region of Canada are more than de minimis.

Domestic groundfish harvesters and processors

Two categories of like merchandise are harvested and processed in the United States:

> (1) Fish that are whole, fresh, chilled or frozen or, if not whole, fish that are processed only by the removal of heads, viscera, fins or any combination therof, but which are not otherwise processed, 1/ and
>
> (2) certain fish that are "otherwise processed" (but not merely by scaling and not including fish that are skinned and boned and frozen into blocks each weighing over 10 pounds), whether or not heads, viscera, fins, scales, or any combination therof, have been removed. 2/

The species of fish covered by the two categories under consideration are virtually all groundfish which derive their name from the fact that they live at or near the sea bottom (or the ground) and will be collectively referred to as groundfish. The principal species of whole groundfish covered by this investigation are Atlantic ocean perch (including rosefish), flatfish (except halibut), wolf fish and whiting. The principal species of groundfish fillets covered by the investigation are Atlantic ocean perch (including rosefish), cod, cusk, haddock, hake, and pollock.

About 700 New England and 300 west coast fishing vessels land such groundfish in the United States. Since virtually all of the catch of these vessels is converted into fillets, the processors are part of the industry that produces the subject fillets as well as harvesters of the subject whole fish under investigation. There are approximately 100 groundfish filleting firms in the United States producing fillets like the fillets imported from

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1/ The fish in this category are referred to as "whole fish."

2/ The fish in this category are referred to as "fillets", since virtually all of the fish in this category are fillets, even though minor portions of other cuts of fish, such as fish steaks, are also included.

Canada that are are subject to countervailing duty waivers. In addition to whole fish obtained from U.S. fishing vessels, many of these firms also produce fillets from whole fish imported from Canada. Of the 100 processing firms, 71 are on the Atlantic coast.

Regional considerations

In the present case, the criteria for treating a regional U.S. industry as the relevant domestic industry for purposes of the law are met. Section 771(4)(C) of the Tariff Act of 1930 provides that in appropriate circumstances the United States may be divided into 2 or more markets and the producers within each market may be treated as if they were a separate industry if--

> (i) the producers within such market sold all or almost all of their production of the like product in question in that market, and
>
> (ii) the demand in that market is not supplied to any substantial degree, by producers of the product in question located elsewhere in the United States. 1/

In such appropriate circumstances, material injury, the threat of material injury, or material retardation of the establishment of an industry may be found to exist with respect to an industry, even if the domestic industry as a whole, or those producers whose collective output of a like product constitutes a major proportion of the total domestic production of that product, is not injured, if there is a concentration of subsidized or dumped imports into such an isolated market and if the producers of all, or almost all, of the production within that market are being materially injured or threatened with material injury, or if the establishment of an industry is being materially retarded, by reason of the subsidized or dumped imports.

1/ 19 USC 1677(4)(C).

The fishermen and fish processors in the Northeastern States sell all or almost all of their product in the Northeastern States. The demand for the subject fish in the Northeastern States is not supplied to any substantial degree by producers outside the Northeastern States. Because the movement of imports is generally from the Atlantic region of Canada to the Northeastern United States and from the Pacific region of Canada to the west coast, and because the subsidies found by Commerce were de minimis for fish harvested in the Pacific region of Canada, the subject imports--those receiving a more than de minimis subsidy--are concentrated in the Northeast market of the United States.

In my view, to justify singling out a geographic segment of the country, the region should be significant enough to constitute an industry potentially meriting a remedy which, for constitutional reasons, may only be imposed on a national, rather than a regional, scale under the countervailing duty statutes. 1/ The Northeastern States obviously meet the criterion of significance as a region since that area accounted for 83 percent of total U.S. production.

Thus because the Northeastern States satisfy the appropriate criteria of market isolation, import concentration, and significance, the relevant industry in this investigation consists of the fishermen and processors located in that region.

1/ See "Additional Views of Commissioners Bill Alberger and Paula Stern with Respect to Regional Injury," Carbon Steel Plate From Taiwan . . ., Investigation No. AA1921-197, USITC Publication 970 (May 1979) at 23. That case was decided under the Antidumping Act of 1921, the predecessor to the current antidumping statute. However, the discussion of the criteria for regionality found in those views is a helpful background for considering whether a regional analysis is appropriate under the current law. Sec. 771(4)(C), which defines regional industries, applies to both countervailing duty and antidumping investigations and provides the Commission with considerable discretion in determining on a case-by-case basis whether or not to make its finding based on a regional industry.

The question of material injury

Whether the affected U.S. industry is composed of all vessels that land groundfish of the subject species in the United States and all U.S. processing plants that produce the subject groundfish fillets, or only those vessels that land their catch on the Northeast coast and the filleting plants in the Northeast region, my determination in this investigation would be the the same--that the domestic industry is not materially injured or threatened with material injury by reason of the imports of the fish from Canada that are subject to countervailing duty waivers.

With respect to the question of material injury, the Commission is directed by section 771 of the Tariff Act of 1930 to consider, among other factors, the volume of imports of the merchandise subject to the investigation, the price effects of such imports, and the impact of such imports on the affected U.S. industry.

The volume of subsidized imports subject to countervailing duty waivers.--Although both import categories subject to countervailing duty waivers are of like merchandise, I have considered absolute and relative import penetration levels separately and together on both a regional and on a national basis. Combined subject imports moderately increased by 9 percent in absolute volume during the four-year period 1975-1978. However, their combined shares of both national and regional markets was lower in 1978 than it had been in 1975. The far smaller category of subject imported whole groundfish did increase its market share; however, this was outweighed by developments in the much more important category of subject imported groundfish fillets. 1/ 2/

1/ The most recent year for which data are available for the subject imports, production, consumption, and the market penetration by imports for the Northeastern market, on a combined basis, is 1978.

2/ Imports of the fish products from Canada covered by countervailing duty waivers are substantially smaller in volume and account for lower import penetration in the national U.S. market on the east coast U.S. market than do other imports of similar products from Canada and from other countries. These other imports have not been found injurious in Certain Fish from Canada . . ., Inv. No. 303-TA-3 (1978) and Certain Fish and Certain Shellfish from Canada . . ., Inv. No. 303-TA-9 (1979).

The most rapid growth in imports from Canada occurred during the period in which Canada was in the process of eliminating its subsidy payments to fishermen and processors. Prior to March 31, 1978, the Canadian subsidies amounted to 17.22 percent of the f.o.b. value of Canadian exports; from April 1, 1978 through September 30, 1978, the subsidies amounted to 5.22 percent, and since October 9, 1978, the subsidy has amounted to 1.22 percent or less. 1/ U.S. imports from the Atlantic region of Canada 2/ of whole groundfish subject to countervailing duty waivers into the Northeastern States increased from 2.1 million pounds in 1975 to 2.7 million pounds in 1976, fell to 2 million pounds in 1977 and rose to 3.7 million pounds in 1979. 3/ Imports into the Northeastern States from the Atlantic region of Canada of filleted groundfish subject to countervailing duty waivers fell from 93 million pounds in 1975 to 78 million pounds in 1977 and rose to 111 million pounds in 1979. 4/ Combined imports from eastern Canada of the whole and filleted groundfish subject to countervailing duty waivers rose from 93 million pounds, fillet weight, in 1975 to 101 million pounds in 1978.

1/ Staff report at A-7.
2/ Virtually all imports from the Atlantic region of Canada are destined for consumption in the Northeastern States.
3/ Staff report at A-112, table J-15.
4/ Staff report at A-112, table J-16.

The ratio to U.S. consumption of imports of whole groundfish subject to countervailing duty waivers from the Atlantic region of Canada into the Northeastern States rose from 0.9 percent in 1975 to 1.3 percent in 1976, fell to 0.9 percent in 1977 and 1978, and rose to 1.5 percent in 1979. 1/ The ratio of such imports to total U.S. consumption of whole groundfish amounted to 0.9 percent in 1975, 1.1 percent in 1976, 0.8 percent in 1977 and 1978, and 1.4 percent in 1979. 2/

The ratio of imports of filleted groundfish from the Atlantic region of Canada subject to countervailing duty waivers to consumption in the Northeastern States fell from 40.3 percent in 1975 to 30.3 percent in 1977 and rose to 36.3 percent in 1979. 3/ The ratio of such imports to total U.S. consumption amounted to 37.7 percent in 1975, 32.7 percent in 1976, 28.3 percent in 1977, 33.1 percent in 1978 and 34.0 percent in 1979. 4/

The ratio of combined imports from the Atlantic region of Canada of whole and filleted groundfish subject to countervailing duty waivers to consumption in the Northeastern States amounted to 23.6 percent in 1975 and 22.5 percent in 1978. 5/ The ratio of such imports to total U.S. consumption fell from 22.7 percent in 1975 to 17.7 percent in 1976, before rising to 21.3 percent in 1978. 6/

Price effects of subsidized imports.--There are no meaningful indications of price supression or price depression for domestic producers of the products under investigation. The bulk of the importers' product is sold in the frozen form, and the bulk of the domestic product is sold in the fresh form. Frozen fish products are ordinarily sold at a lower price than fresh fish products because of quality, taste, and texture considerations. 7/ For example, frozen

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1/ Staff report at A-112, table J-15.
2/ Staff report at A-48 and A-112, tables 14 and J-15.
3/ Staff report at A-112, table J-16.
4/ Staff report at A-48 and A-112, tables 15 and J-16.
5/ Staff report at A-113; table J-17.
6/ Staff report at A-49 and A-113; tables 16 and J-17.
7/ Staff report at A-11, A-58, and A-60.

fillets of ocean perch and frozen flatfish fillets are sold for substantially lower prices than are fresh fillets of the same species of fish, even when both are from the same sources. 1/

Between January 1976 and January 1979, the east coast prices of ocean perch rose by 70 percent, and the price of yellowtail flounder rose by 33 percent. In comparison, the Bureau of Labor Statistics index of meat, fish, and poultry prices rose by only 26 percent during the period. December 1979 prices for most of the subject fish were at record levels. In general, 1979 prices for whole fish were at higher levels than in previous years, and prices of domestic fillets have risen sharply in recent years despite increased imports from Canada. 2/ These factors indicate the absence of price suppression or price depression in the domestic industry.

Impact of subsidized imports on the affected industry.--Section 771 of the act instructs the Commission to examine, with respect to the impact of the subsidized imports on the domestic industry, all relevant economic factors including, but not limited to, actual and potential decline in output, sales, market share, profits, productivity, return on investments, utilization of capacity, factors affecting domestic prices, and actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment. With the sole exception of inventories, none of the indicators for which adequate data are available show any injury to the domestic industry.

U.S. landings of whole groundfish of species subject to countervailing duty waivers rose irregularly from 223 million pounds, round weight, in 1974

1/ Staff report at A-59 and A-61. Specific price comparisons between the domestic and imported products are not possible to make in these views because of the confidentiality of the information available to the Commission.

2/ Staff report at A-51-61, tables 17-22.

to 255 million pounds in 1978 but fell slightly to 249 million pounds in 1979. 1/ East coast landings of whole groundfish of the species subject to countervailing duty waivers, rose annually from 180 million pounds, round weight, in 1975 to 211 million pounds, round weight, in 1979. 2/

U.S. production of filleted groundfish of the species subject to countervailing duty waivers rose from 46 million pounds, fillet weight, in 1974 and 1975, to 73 million pounds, fillet weight, in 1979. 3/ East coast production also increased annually, from 32 million pounds in 1975 to 58 million pounds in 1979. 4/

U.S. capacity to catch groundfish of the types under investigation, in numbers of fishing vessels, has expanded in recent years, but conservation quotas on the east coast, the licensing of foreign vessels to fish within the 200 mile limits, 5/ and the sharing of the limited resources among an expanded number of vessels may have prevented the U.S. fishing fleet from operating at full capacity. On the west coast, trip limits by processors, because supply was outstripping demand, have resulted in declining capacity utilization. 6/

U.S. inventories of frozen ocean perch fillets in December 1979 were higher than in any year since 1973, except 1974. U.S. inventories of frozen cod fillets were higher in December 1979 than in December of 1978 or 1976, but were lower than the December 1977 levels. Inventories of frozen haddock fillets were lower in December 1979 than in any preceding year of the 1973-79 period. 7/ Increases in frozen inventories may be due to the expanded capacity of the domestic fleet which, on the west coast, has supplied fresh fish in excess of demand. 8/

1/ Staff report at A-48, table 14.
2/ Staff report at A-112, table J-15.
3/ Staff report at A-48, table 15.
4/ Staff report at A-112, table J-16.
5/ Staff report at A-18-A-21.
6/ Staff report at A-120 and A-121.
7/ Staff report at A-33 and A-34.
8/ See "Views of the Commission," Certain Fish . . ., Investigation No. TA-201-41, USITC Publication 1028, (January 1980) at 6 and 8.

U.S. employment in the domestic groundfish industry has probably expanded in recent years in line with the expansion of production and the expansion of the fishing fleet. In Massachusetts, employment increased by 11 percent between 1974 and 1977, and the number of Gloucester fishermen grew from 650 in 1976 to 1,000 in 1978. 1/

No financial data were submitted in this investigation, nor were any financial statistics received from east coast groundfishermen during the Commission's recent investigation of fish under section 201 of the Trade Act of 1974. Therefore no judgment can be made as to their profits. Six responses received from west coast fishermen indicated increasing profits from 1975 through 1978 and a reduction in profits in 1979. 2/ The reduced profits for the west coast fishermen may be attributable to trip limits established by processors and may not be reflective of profits of east coast fishermen. 3/

The fishermen in the northeastern region have been repeatedly requested to supply financial data to the Commission and they have repeatedly failed to comply with the Commission's requests. Section 771(7)(E)(ii) of the Tariff Act of 1930 states that the presence or absence of any factors which the Commission is required to evaluate under subparagraph (C) or (D) shall not necessarily give decisive guidance with respect to the determination by the Commission of material injury. Although the Commission undertakes its own investigations and cannot shirk this obligation by concluding that a party has failed to persuade it of the correctness of its position, a certain burden is placed upon the petitioner. That burden is the obligation of coming forward

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1/ Staff report at A-34.
2/ Staff report at A-39.
3/ The Commission is lacking information regarding return on investment wages, cash flows, or the ability to raise capital, as well as the above cited financial data on east coast fishermen.

with necessary information, an obligation which the petitioners in this investigation have obviously failed to meet. 1/

U.S. fishermen and fish processors have alleged sales lost to imports of fish from Canada. However, confirmation of the lost sales was not possible because no customer names were provided.

Conclusion

I have not been able to find any persuasive indications of material injury in this investigaton. Moreover, no causal linkage has been shown between any alleged injury and the subject imports which are benefitting from a rather small subsidy. Therefore, I conclude that an industry in the United States is neither materially injured nor threatened with material injury by reason of imports of fish, fresh, chilled, or frozen, whether or not whole, but not otherwise prepared or preserved, provided for in TSUS items 110.35, 110.50, and 110.55, from Canada, which are the subject of waived countervailing duty orders.

1/ See "Additional views of Commissioners Stern and Calhoun," Countertop Microwave Ovens From Japan . . ., Investigation No. 731-TA-4 (Preliminary), USITC Publication 1033 (February 1980), at 5 and 6; see also S. Rept. No. 96-249 (96th Cong., 1st sess.), 1979, at. 88.

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INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

Section 104(a) of the Trade Agreements Act of 1979 (P.L. 96-39, June 26, 1979) requires that the United States International Trade Commission make an injury determination in those cases in which the Commission has received the most current net subsidy information pertaining to any countervailing duty order in effect on January 1, 1980, which had been waived pursuant to section 303(d) of the Tariff Act of 1930 or which had been published on or after the date of enactment of the Trade Agreements Act of 1979.

On January 7, 1980, the Commission received advice from the U.S. Department of Commerce, the administering authority under the provisions of the Trade Agreements Act of 1979, that a countervailing duty order that had been waived pursuant to section 303(d) of the Tariff Act of 1930 (19 U.S.C. 1303 (d)), was in effect on January 1, 1980, with respect to fish from Canada. 1/ On February 5, 1980, the Commission received from the Department of Commerce, the most current net subsidy information available with respect to the countervailing duty order(s) on fish from Canada. 2/ Accordingly, the Commission instituted investigation No. 701-TA-40 to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports of fish, fresh, chilled, or frozen, but not otherwise prepared or preserved, provided for in TSUS items 110.35, 110.50, and 110.55, from Canada, which are subject to the outstanding waived countervailing duty order(s).

Notice of the Commission's investigation and of the public hearing to be held in connection therewith was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C. and at the Commission's New York City Office, and by publishing the notice in the Federal Register of February 22, 1980 (45 F.R. 11938). 3/ The public hearing for this investigation was held in the Hearing Room, U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C., on Monday, April 21, 1980.

The transition rules for countervailing duty investigations provide that the Commission must complete such transition case investigations within 180 days after the date on which it has received the most current net subsidy information from the Department of Commerce (February 5, 1980). The statutory deadline under section 104 (a) (2) of the Trade Agreements Act of 1979, for the completion of this investigation, therefore, is August 4, 1980. The Commission, however, intends to complete this investigation and report its findings to the Department of Commerce prior to this deadline.

1/ A copy of Commerce's letter of advice is presented in app. A.

2/ A copy of the most current net subsidy information provided by Commerce is presented in app. B.

3/ A copy of the Commission's notice of investigation and hearing is presented in app. C.

Origins of the Present Investigation

This investigation arises from three separate investigations by the Department of the Treasury, conducted during the period 1976-78, concerning possible Canadian bounties and grants applicable to the manufacture, production, or exportation of certain fish. Affirmative determinations of countervailable bounties and grants were made by Treasury in each of the three investigations. Nevertheless, section 303(d) of the Tariff Act of 1930, as amended by the Trade Act of 1974 (19 U.S.C. 1303 (d)), authorized the Secretary of the Treasury to waive the imposition of countervailing duties during the 4-year period beginning on the date of enactment of the Trade Act of 1974 1/ if he determined that:

> (1) adequate steps have been taken to reduce substantially or eliminate during such period the adverse effect of a bounty or grant which he has determined is being paid or bestowed with respect to any article or merchandise;
>
> (2) there is a reasonable prospect that, under section 102 of the Trade Act of 1974, successful trade agreements will be entered into with foreign countries or instrumentalities providing for the reduction or elimination of barriers to or other distortions of international trade; and
>
> (3) the imposition of the additional duty under this section with respect to such article or merchandise would be likely to seriously jeopardize the satisfactory completion of such negotiations.

Because the Secretary of the Treasury found all three of the above enumerated conditions to be present in the three Treasury investigations of Canadian bounties and grants with respect to fish, Treasury waived the assessment and collection of countervailing duties that would otherwise have been applicable to U.S. imports of the dutiable fish covered by each of its three investigations.

Section 105 of the Trade Agreements Act of 1979 provides that any waivers with respect to the imposition of countervailing duties in effect prior to July 26, 1979, will remain in effect until the date on which: (1) the U.S. International Trade Commission makes an injury determination under section 104 of the Trade Agreements Act of 1979; (2) the determination of the administering authority is revoked because the conditions permitting the granting of

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1/ Treasury's authority to waive the assessment and collection of countervailing duties under section 303 of the Tariff Act of 1930 expired on January 3, 1979, four years after the date of enactment of the Trade Act of 1974, but interim measures announced by the Treasury Department on February 2, 1979, allowed the practice to continue until Congress passed legislation in March of 1979 that restored its authority to waive the assessment and collection of countervailing duties.

such a waiver no longer exist; or (3) a Congressional resolution is adopted disapproving the waiver, whichever action occurs first.

With respect to imports of duty-free fish from Canada covered by the Treasury investigations (duty-free fish from Canada were included only in the two most recent Treasury determinations), Treasury was required to inform the United States International Trade Commission of its affirmative countervailing duty determinations. The Commission was then required to conduct investigations to determine whether an industry in the United States was being injured, was threatened with injury, or was prevented from being established, by reason of the importation of the subsidized Canadian merchandise. In referring the two cases to the Commission, the Treasury Department announced in advance its intention to waive the collection of countervailing duties if the Commission's determinations were in the affirmative. In both investigations into the question of injury arising from subsidized imports of fish from Canada (U.S. International Trade Commission investigations Nos. 303-TA-3 and 303-TA-9), the Commission determined unanimously that an industry in the United States was not being injured, was not threatened with injury, and was not prevented from being established, by reason of the subsidized imports of duty-free fish from Canada. These subsidized imports of duty-free fish are not, therefore, covered by waivers and would not be subject to countervailing duties in the event the Commission makes an affirmative determination in the present investigation. The collection of countervailing duties on the dutiable imports covered by the three Treasury investigations were waived; consequently, those dutiable imports are under investigation here. A more detailed discussion of the three Treasury investigations follows.

Treasury's first investigation

In a complaint filed with the Treasury Department on April 1, 1976, the Fishermen's Marketing Association, of Seattle, Wash., complained that certain U.S. imports of fish from Canada, covered by TSUSA items 110.3560, 110.3565, and 110.5545, were subject to certain bounties and grants not permitted under the United States countervailing duty laws and were having a detrimental impact on the U.S. fishing industry. Treasury announced its receipt of the petition and the initiation of its investigation in the Federal Register of July 27, 1976 (41 F.R. 31240). On April 13, 1977, Treasury published a notice in the Federal Register (42 F.R. 19326) that it had made an affirmative determination that the Government of Canada had given benefits which constitute bounties or grants under the countervailing duty law, on the manufacture, production or exportation of certain fish. 1/ In the same Federal Register of April 13, 1977 (42 F.R. 19327), Treasury announced that the conditions required under section 303(d) of the Tariff Act of 1930, had been met, and the imposition and collection of countervailing duties would be waived. 2/ All of the imports under this first Treasury investigation were dutiable, all were

1/ A copy of the Treasury's notice of its affirmative determination in its first fish investigation is presented in app. D.

2/ A copy of Treasury's notice of its intention to waive the imposition of countervailing duties in its first investigation is presented in app. E.

granted a waiver from the imposition of countervailing duties, and all, therefore, are covered by the current investigation.

Treasury's second investigation and Commission investigation No. 303-TA-3

On June 10, 1977, the Fishermen's Marketing Association of Seattle, Wash. 1/ filed its second complaint with regard to fish imported from Canada and Canadian bounties and grants applicable to such imports. This complaint covered a new series of TSUSA items: Nos. 110.1585, 110.1589, 110.3570, 110.3575, 110.4710, 110.4726, 110.5025, 110.5030, 110.5045, 110.5050, 110.5065, 110.5520, 110.5550, 110.5565, 110.5570, 110.7033, 110.7039, 111.2200, 111.6400, and 111.6800. In addition to complaining that the imports under the above listed TSUS items were injurious to the domestic industry, the newest complaint alleged that the Government of Canada had not taken the action to reduce the bounties and grants that had been found in the first investigation by Treasury and which expected action was the reason given by Treasury for its determination to waive the collection of countervailing duties.

Treasury announced its receipt of the second petition and the initiation of its second investigation of fish from Canada in the Federal Register of July 10, 1977 (42 F.R. 29638). On June 16, 1978, it published in the Federal Register (43 F.R. 25996) its notice of its final affirmative countervailing duty determination. 2/ Both dutiable and duty-free fish were covered by the determination and, by notice of June 16, 1978 (43 F.R. 25995) in the Federal Register, Treasury announced that the dutiable fish covered by the investigation would be subject to a waiver under section 303(d) of the Tariff Act of 1930, since the conditions that would permit such a waiver were found to exist. 3/ These dutiable fish imports, covered by TSUSA items 110.3570, 110.3575, 110.5025, 110.5030, 110.5045, 110.5050, 110.5065, 110.5520, 110.5550, 110.5565, and 110.5570 are all within the scope of the current investigation.

In making its determination in its second investigation, the Treasury Department noted that some of the countervailable imports of fish from Canada were duty free and that section 303 of the Tariff Act of 1930 required that the duty-free imports (provided for under TSUSA items 110.1585, 110.1589, 110.4710, 110.4726, 110.7033, 110.7039, 111.2200, 111.6400, and 111.6800) be referred to the U.S. International Trade Commission for an injury determination. In referring this investigation to the Commission, the Treasury Department announced its intention to waive the collection of countervailing duties if the Commission were to make an affirmative injury determination.

1/ In support of this second petition was the Point Judith Fishermen's Cooperative Association, of Narragansett, Rhode Island.

2/ A copy of Treasury's notice of its final affirmative determination with respect to its second countervailing duty investigation of fish from Canada is presented in app. F.

3/ A copy of Treasury's notice of its intention to waive the imposition of countervailing duties in its second investigation is presented in app. G.

The Commission received advice from the Treasury Department on June 27, 1978, that a bounty or grant was being paid with respect to the duty-free fish from Canada in question and, on July 23, 1978, instituted investigation No. 303-TA-3 to determine whether an industry in the United States was being injured, was threatened with injury or was prevented from being established, by reason of the subsidized imports into the United States. A public hearing was held in Washington, D.C. on August 15, 1978, and, on September 27, 1978, the Commission reported its unanimous negative determination to the Secretary of the Treasury on the question of injury to the domestic industry. 1/ Since no injury was found with respect to the duty-free fish covered by Treasury's second investigation, there was no need to waive the imposition of counter vailing duties and, consequently, these fish are not included in the current investigation.

Treasury's third investigation and Commission investigation No. 303-TA-9

On December 30, 1977, counsel representing the Point Judith Fishermen's Cooperative Association, of Narragansett, Rhode Island, and the National Association of Fishermen, 2/ filed their first complaint with the Treasury Department, alleging that imports of certain fish and shellfish, provided for under TSUSA items 110.1593, 110.1597, 110.3552, 110.4730, 110.4755, 110.4760, 110.4765, 110.5070, 114.4520, and 114.4537, were subject to certain Canadian bounties and grants and that their importation was harmful to the domestic fishing industry. None of the fish covered by the new petition were covered by the two previous petitions.

On July 10, 1978, the Treasury Department published in the Federal Register (43 F.R. 29637) notice that it had received a petition, initiated an investigation and reached a preliminary affirmative determination in its third countervailing duty investigation of fish from Canada. In the Federal Register of January 5, 1979 (44 F.R. 1372), the Treasury Department published notice of its final determination that the Government of Canada had given benefits that constitute bounties and grants under the U.S. countervailing duty statutes on the manufacture, production, or exportation of the fish covered by its third investigation. 3/ Both dutiable and duty-free fish were covered by the determination and, by notice of January 8, 1979 (44 F.R. 1728), Treasury announced that it intended to waive the collection of countervailing duties on the dutiable fish, since the conditions that permitted such a waiver were found to exist. These dutiable fish imports, covered by TSUSA items 110.3552 and 110.5070, therefore, are within the scope of the current investigation. 4/

1/ See Certain Fish from Canada, Determination of No Injury or Likelihood Thereof in Investigation No. 303-TA-3, USITC Publication 919, September 1978.

2/ Supported by the Fishermen's Marketing Association, of Seattle, Washington.

3/ A copy of Treasury's notice of its final affirmative determination with respect to its third countervailing duty investigation of fish from Canada is presented in app. H.

4/ A copy of Treasury's notice of its intention to waive the collection of countervailing duties in its third investigation of fish from Canada is presented in app. I.

In making its determination in its third investigation, the Treasury Department noted that some of the imports of fish from Canada subject to countervailable bounties and grants were duty free and that the portion of the investigation involving such duty-free imports (i.e., those provided for in TSUSA items 110.1593, 110.1597, 110.4730, 110.4755, 110.4760, 110.4765, 114.4520, and 114.4537) was being referred to the U.S. International Trade Commission for a determination of whether or not such subsidized imports were injurious to the domestic industry. In referring the case to the Commission, however, Treasury again announced its intention to waive the imposition of countervailing duties if the Commission's determination were in the affirmative.

On January 9, 1979, the Commission received advice from Treasury that a bounty or grant was being paid with respect to certain duty-free fish and certain duty-free shellfish from Canada. Accordingly, on January 18, 1979, the Commission instituted investigation No. 303-TA-9 to determine whether an industry in the United States was being or was likely to be injured, or was prevented from being established, by reason of the subsidized imports into the United States. A public hearing in connection with the Commission's investigation was held on February 27, 1979, and, on April 9, 1979, the Commission reported its unanimous determination that an industry in the United States was not being injured, was not likely to be injured, and was not prevented from being established by reason of the importation of the subject merchandise from Canada. 2/ As a result of the Commission's determination, duty-free fish covered by Treasury's third investigation were not subject to a Treasury Department countervailing duty waiver and are not part of this investigation.

The Current Level of Canadian Bounties and Grants

According to the most current information available from the Department of Commerce, received on February 5, 1980, the Governments of Canada and of various Provinces continue to grant several types of assistance to Canadian fishermen and fish processors which constitute bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended. These are described below:

1. Cash payments to fishermen for the financing of vessel construction of up to 35 percent of the approved capital cost of vessels between 35 to 75 feet in length. Assistance is available from different sources for vessels over 75 feet in length for up to 20 percent of the approved capital cost of the vessel.

2. Grants provided by the Department of Regional Economic Expansion, DREE, to the Province of Newfoundland

2/ See Certain Fish and Certain Shellfish from Canada, Determination of No Injury or Likelihood Thereof in Investigation No. 303-TA-9, USITC Publication 966. April 1979.

whereby DREE and the Provincial Authorities share the capital cost for (a) the augmentation of water supply systems to several coastal communities in Newfoundland, and (b) the construction of wharfs, service center buildings, storage areas, and supply and installation of travelift and synchrolift equipment at marine service centers. These benefits are received by all Atlantic fishermen. In addition, DREE had provided funds for the construction and improvement of groundfish processing plants in the Atlantic regions of Canada.

3. Assistance in the forms of low-cost loans by the Nova Scotia Fishermen's Loan Board and the New Brunswick Fishermen's Loan Board.

Although the petitioner has alleged that Canadian bounties and grants are equivalent to as much as 12 percent of the Canadian export price of the fish under consideration, Commerce calculates the net amount of countervailable bounties or grants to be 1.08 percent of the f.o.b. price for export to the United States for groundfish, including groundfish blocks, originating in the Atlantic regions of Canada (i.e., Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, and Quebec). Commerce has further determined that bounties or grants equivalent to 0.38 percent of the f.o.b. price for groundfish originating from areas other than the Atlantic regions of Canada are legally de minimis; therefore, no countervailing duties will be assessed on imports of these products, even in the event of an affirmative injury determination by the Commission.

Treasury's past investigations of the bounties and grants applicable to Canadian exports of fish and shellfish to the United States have found the following levels of countervailable bounties and grants to exist. These bounties and grants as a percent of the total f.o.b. value of the subject Canadian fish exports to the United States are as follows:

	Percent
Period ending March 31, 1978: Canada, total	17.22
April 1, 1978-September 30, 1978: Canada, total	5.22
Period beginning October 9, 1978: Canada, total	1.22
As of January 9, 1979:	
Atlantic coast groundfish including groundfish blocks	1.17
Atlantic coast shellfish	1.08
Pacific coast groundfish and shellfish	0.38 1/
As of February 5, 1980:	
Atlantic coast fish covered by outstanding waivers	1.08
Pacific coast fish covered by outstanding waivers	0.38 2/

1/ Regarded by Treasury as de minimis.
2/ Regarded by Commerce as de minimis.

Additional Information and Allegations Contained in the Three Petitions

The three petitions cited above all discussed a complex group of fish subsidy programs in Canada and alleged that these Canadian programs were subsidies which resulted in U.S. imports of low-cost fish items that prevented the development of the U.S. groundfish industry. The first major subsidy cited was the Groundfish Bridging Program, through which, during the period of May 1, 1975-March 31, 1976, Canada made direct subsidy payments of CAN $38.4 million to fishermen and processors for fish produced. This program was replaced by the Groundfish Temporary Assistance Program under which, during the period of April 1-July 30, 1976, the sum of CAN $2 million in direct payments was issued. In addition to direct payments for the fish produced, there were payments for fishing vessel construction that amounted to CAN $4 million in the period of April 1, 1975-March 31, 1976; the payments continued after that. There also were payments for processing plant construction. The petitions also covered Canada's various less direct subsidies. The petitioners used as their principal support document a study of Canada's fishery subsidy program by researchers at the University of Rhode Island. The study determined that the equivalent value of all forms of subsidies combined was 22.9 to 32.8 cents per pound; or an equivalent of at least 50 percent of the value of the fish produced.

The third petition challenges Treasury's view that the Groundfish Temporary Assistance Program (direct poundage payments) constitutes 97 percent of the bounties or grants. It alleged that, as the poundage subsidies were cut back the less direct subsidies were increased. The less direct subsidies include vessel construction and conversion grants, loans, and guarantees as well as similar assistance for processing, freezing, and marketing facilities. While both the U.S. and Canadian industries suffered from massive foreign overfishing between 1967 and 1976, U.S. imports of groundfish remained relatively constant, whereas U.S.production declined sharply. The petitioners allege that the construction grants for vessels and processing plants reduce capital costs, thus giving Canada a strong competitive advantage.

The petitioners criticized the fact that one week after Treasury's decision of April 20, 1977 waiving the countervailing duties largely because Canada was suspending its Groundfish Temporary Assistance program, the Canadian Government announced another support program directing CAN $41 million primarily toward the Atlantic groundfish industry. This program supplemented the over CAN $130 million of emergency aid that had been granted since 1974.

The Point Judith Fishermen's Cooperative, Inc., alleged that its market for fresh cod in Boston had been taken by imports from Canada, forcing the co-op to sell entirely to the New York market and beyond. In addition, from 1951 to 1971, the co-op operated a freezer plant in which it produced frozen flatfish fillets. The plant was closed in 1971, allegedly because the market was depressed by imports of frozen flatfish fillets from Canada. Though imports of flatfish fillets were stressed in the petition of 1977, the petitioner is basically a producer of whole flatfish. The petitioner maintained that groundfish--whether whole, filleted, fresh, or frozen--are produced and marketed in response to a complex mesh of supply, demand, and price factors. The petitioner states that at any given time one item may displace another in the market and in turn may be displaced yet by another.

The Products

Description and uses

This investigation covers two categories of fish, both of which must be fresh, chilled, or frozen, but not otherwise prepared or preserved, and several species within these categories.

The two categories are:

(1) Fish that are whole, fresh, chilled, or frozen 1/ or, if not whole, fish that are processed only by the removal of heads, viscera, fins, or any combination thereof, but which are not otherwise processed, 2/ and

(2) certain fish that are "otherwise processed" (but not merely by scaling and not including fish that are skinned and boned and frozen into blocks each weighing over 10 pounds), whether or not heads, viscera, fins, scales, or any combination thereof, have been removed. 3/

This investigation does not cover frozen fish blocks (referred to under category (2) above), nor does it include fish that have been dried, salted, smoked, cooked, breaded, or sealed in airtight containers. The species of fish covered by the two categories under consideration are virtually all "groundfish" which derive their name from the fact that they live at or near the sea bottom (or the ground). 4/ All of the fish species discussed herein are, therefore, collectively referred to as groundfish. The principal species covered by this investigation, and the provisions of the Tariff Schedules of the United States Annotated (TSUSA) under which they are imported are as follows.

1) Whole groundfish (category 1 above):

1/ The tariff description "fresh, chilled, or frozen," implying 3 types of raw fish, was established in 1963. Prior to that the description was simply "fresh or frozen". A fresh fish generally is chilled or preserved in some manner if it is not going to be eaten within a few hours from the time it is caught. Fish are considered to be either fresh or frozen in the U.S. seafood trade and the word chilled, therefore, may be redundant. This report, however, follows the official language of the Tariff Schedules of the United States and uses the term "chilled" throughout; that is, the fish are discussed in 2 groups--"fresh or chilled" and "frozen."

2/ The fish in this category are referred to as "whole" fish.

3/ Virtually all the fish in this category are fillets--that is, the boneless or nearly boneless, flesh from the side of a fish--and are referred to hereafter in this report as fish "fillets", even though minor portions of other cuts of fish, such as fish steaks, are also included.

4/ The only exception is Atlantic ocean perch which has a habitat somewhat higher in the ocean than the other species covered herein.

A) Atlantic ocean perch, including rosefish (TSUSA item 110.3552);
B) Flatfish, except halibut (TSUSA items 110.3560 and 110.3565); and
C) Wolf fish and whiting 1/ (TSUSA items 110.3570 and 110.3575); and

2) Groundfish fillets (category 2 above):

A) Atlantic ocean perch, including rosefish (TSUSA items 110.5025, 110.5030, and 110.5520);
B) Cod (TSUSA items 110.5045, 110.5050, 110.5545, and 110.5550); and
C) Cusk, haddock, hake, and pollock (TSUSA items 110.5065, 110.5070, 110.5565, and 110.5570).

The cod, cusk, haddock, hake, pollock, and whiting all belong to the cod family. 2/ The flatfish group includes flounder, sole, turbot, dabs, plaice, and fluke. Wolf fish are similar to and inhabit the same waters as cod. Atlantic ocean perch, however, as previously mentioned, tend to concentrate in different fishing grounds and tend to inhabit waters higher above the sea bottom than the other species of fish under consideration. 3/

Although the investigation covers some groundfish in whole form and all others in fillet form, it in effect covers all of the groundfish industry at the fisherman and primary processor level since the various groundfish, whether whole or filleted, are interrelated economically. That is, activity in the fillet trade affects fishermen because most of their catch is converted into fillets, and activity in the whole fish trade affects the producers of fillets because of their need for whole fish as a raw material. In addition, a buyer may shift purchases from one species of fish to another if market conditions should warrant.

Individual New England fishing vessels normally catch groundfish of a wide variety of species, depending on season and availability, although some of the smaller vessels concentrate heavily on either ocean perch or whiting. Vessels operating north of Cape Cod fish mainly for haddock and cod but at the same

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1/ Also includes small quantities of skate and monkfish from Canada and large quantities of grouper, croaker, and snapper, among other nonenumerated fish, from other countries.

2/ See app. K, for pictures of various types of fish included in this investigation.

3/ Several species of groundfish are not covered by this investigation. They include rockfish (related to Atlantic ocean perch), black cod (sablefish), and lingcod all of which are found exclusively or predominantly on the Pacific coast. Halibut, a species of flatfish which was not included in the petitions, and found on both coasts, also is not covered. In effect, however, since Canadian subsidies of Pacific coast groundfish are subject to only de minimis bounties and grants, Pacific groundfish are not discussed in detail in this report.

time catch flatfish, wolf fish, and other species; whereas those operating south of Cape Cod fish mainly for flatfish and take supplemental amounts of cod, haddock, and other species.

Fish from the waters off the northeastern United States and eastern Canada are consumed throughout the United States. The demand for the cod and haddock group is strongest north of Cape Cod, although these fish are popular elsewhere. The flatfish are in heavy demand in areas south of Cape Cod, although they are in demand north of Cape Cod too, as well as throughout the United States. Ocean perch and whiting are consumed throughout the country, and originally were much more popular in the Midwest than in New England.

The northeastern markets (from New England south through Washington, D.C.) handle sizable amounts of groundfish in the fresh form. The domestic fishing industry and the fishing industry in the nearby parts of Canada supply nearly all of the fresh fish sent to these markets. It is generally impractical to ship fresh fish long distances (such as from Newfoundland to New England or from New England to the Midwest); although as fresh fish prices have risen relative to air freight rates, the use of air freight has been rising. Formerly, when the major markets for whiting and ocean perch were in the Midwest, the domestic processors froze nearly all the whiting and ocean perch fillets. Now, with increased popularity of fresh seafood in coastal areas, they process and sell at least half of such fillets fresh.

Both the domestic producers and the importers involved in this investigation acknowledge that the various forms of groundfish are economically competitive, but to varying degrees. The domestic producers maintain that frozen imports have an impact on domestic production whether "fresh or chilled" or "frozen". The importers contend however that there are two separate markets for fresh and frozen fish. At the Commission's hearing, a spokesperson for the importers stated that the importers believe that consumers are of the opinion that "fresh or chilled" fish are better in quality than frozen fish and are willing to pay more for the fresh fish; the distinction, however, may be overrated.

U.S. tariff treatment

The tariff treatment for fish of the types covered in this investigation is shown in the following tabulation:

TSUS item number	Brief description	Rates of duty		
		Col. 1	LDDC	Col. 2
	Fish, fresh, chilled, or frozen; but not otherwise prepared or preserved, except sea herring, smelts, and tuna:			
110.35	Whole; or processed by the removal of heads, viscera, fins, or any combination thereof, but not otherwise processed; other than fresh-water fish, cod, cusk, haddock, hake, pollock, eels, shad, sturgeon, halibut, salmon, mackerel, and sword fish----------	0.5¢ per lb.		1¢ per lb.
	Otherwise processed (whether or not heads, viscera, fins, scales, or any combination thereof have been removed):			
	Cod, cusk, haddock, hake, pollock, and Atlantic ocean perch (rosefish):			
110.50	For an aggregate quantity entered in any calendar year of 15,000,000 pounds, or not more than a quantity equal to 15% of the average aggregate apparent annual consumption of such fish during the 3 calendar years immediately preceding the year in which the imported fish are entered, whichever quantity is greater, of which total quantity not			

To be continued

Tariff Treatment --(Continued)

TSUS item number	Brief description	Rates of duty		
		Col. 1	LDDC	Col. 2
	over 1/4 shall be entered during the first 3 months, not over 1/2 during the first 6 months, and not over 3/4 during the first 9 months of that year	1.875¢ per lb.		2.5¢ per lb.
110.55	Other	2.42¢ per lb.	1.875¢ per lb.	2.5¢ per lb.

TSUS item 110.50 covers the so-called "within-tariff-rate-quota" imports of so-called "groundfish" fillets and item 110.55 covers the "over-quota" imports. As a general practice, however, Customs classifies both the within-quota imports and over-quota imports as over-quota at the time the product enters. Customs later determines which imports qualify for quota status--based on the time of entry--and then rebates to the importers the overpayments of duty. The quota for 1979 was 42,743,532 pounds.

The rate for item 110.55 is being reduced in stages to 1.875 cents per pound by 1987, thus ending the tariff-rate quota. The so-called tariff-rate quota resulted from a concession granted in a bilateral trade agreement with Canada, signed November 17, 1938, applied provisionally January 1, 1939, and effective June 17, 1939 (53 Stat. 2348). Prior to that time, the effective rate was 2.5 cents per pound on all imports of these "groundfish" fillets.

The U.S. Tariff Commission completed three investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended, to determine whether groundfish were being imported in such increased quantities as to cause or threaten serious injury to the domestic industry. In the first of these investigations (in 1953) the Commission determined that no injury had occurred to a domestic industry. 1/ In both of the other investigations (in 1954 and 1956) the Commission found injury and recommended that the President modify and restrict the tariff concession that the United States had granted in the General Agreement on Tariffs and Trade. 2/ The President did not

1/ Groundfish Fillets: Report on the Escape-Clause Investigation, Report No. 182 2d ser., 1953.

2/ Groundfish Fillets (1954): Report to the President on Escape-Clause Investigation No. 25, 1954 (processed); Groundfish Fillets (1956): Report to the President on Escape-Clause Investigation No. 47, 1956 (processed): and Groundfish: Fishing and Filleting, information on the domestic industry, production, consumption, foreign trade, and industries in foreign countries, 1957 (processed).

follow the recommendation of the Commission in either of the latter two instances.

In 1964, the U.S. Tariff Commission again investigated the effect of imports of "groundfish" fillets--this time under section 225(b) of the Trade Expansion Act of 1962--and determined that the previous conditions had not improved. 1/ As a result, these items were reserved from the list of items offered for rate reductions in the Kennedy round of trade agreement negotiations.

On August 20, 1979, the U.S. International Trade Commission received an amended petition from the Fishermen's Marketing Association of Washington, Inc., Seattle, Wash., and the Coast Draggers Association, Westport, Wash., for import relief under section 201 of the Trade Act of 1974. Accordingly, on September 5, 1979, the Commission instituted investigation No. TA-201-41, under section 201(b) of the act, to determine whether cod, cusk, haddock, hake, pollock, whiting, Atlantic ocean perch, Pacific rockfish (including Pacific ocean perch), and flounder and all other flatfish, except halibut, provided for in TSUS items 110.15, 110.35, 110.40, 110.45, 110.47, 110.50, 110.55, 110.57, and 110.70 were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. On January 17, 1980, the Commission reported to the President its unanimous determination that the articles under investigation were not being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles. 2/

Channels of Distribution

Typically, in the United States, fresh whole groundfish moves from the fishing boat to a wholesale fish dealer or to a primary processor--that is, a firm that cuts fillets from whole fish. The processor then sells to wholesalers or else sells through brokers to the next level--restaurants, fast food carryouts, retail food chains, fresh fish markets, and schools or other institutions.

There is little vertical integration in the U.S. groundfish business. However, a few filleting firms own, or have interests in, fishing craft, and some processing firms operate small retail outlets.

The distribution of imported fresh fish on the east coast is basically from north to south. Trucks enter from Canada through Maine (both on mainland routes from New Brunswick and by ferry from Nova Scotia). Most of the fish goes to Boston or New York for processing or repacking; however, a large share goes also to other U.S. fish processing centers such as Gloucester or

1/ Report to the President on Investigation No. TEA-225 (b)-2 (1964).
2/ See Certain Fish: Report to the President on Investigation No. TA-201-41 ..., USITC Publication 1028, January 1980.

New Bedford. The distribution flow of the New England fish catch follows a similar pattern--from Maine ports or from Gloucester or Provincetown to Boston or New York. Landings at New Bedford, Mass., and at Rhode Island ports go roughly 75 percent to New York and 25 percent to the eastern Massachusetts markets. Fishing vessels land sizable quantities in Boston and New York as well. Much of the distribution reaching Boston and New York is consumed there and the remainder is distributed throughout the United States. Some of the fresh imports from Canada go directly to markets in other northeastern areas as well. A sizable share of the fresh fillets are distributed to the Philadelphia, Baltimore, and Washington, D.C. areas.

While normally the prices in eastern Canada are considerably lower than in the United States, resulting in a flow of fresh whole and filleted fish from Canada to the United States, there are rare occasions when the U.S. price drops below the Canadian price and the flow of fresh whole fish reverses and shipments go from the United States to Canada. The U.S. prices vary widely in the short term, whereas prices in Canada remain relatively stable--though low--largely because the U.S. market is influenced by the supply and demand of the many small sellers and buyers, whereas the Canadian market is influenced by a few very large firms that own fishing vessels as well as processing plants.

On the Atlantic coast, groundfish imported from Newfoundland and eastern Nova Scotia enters the United States in the frozen form because of the distance involved. These fish enter the United States by truck. Prior to 1977, frozen groundfish was shipped by refrigerated freighters from Newfoundland and Nova Scotia to Gloucester. Regular freighter service either to Gloucester or to some other Massachusetts port may resume in the future.

On the Pacific coast, the main distribution flow is also from north to south. Fish in excess of local market needs are shipped southward from British Columbia, Washington, Oregon, and northern California. Much of it moves to central and southern California where San Francisco and Los Angeles are major markets for Pacific groundfish. Fish fillets in excess of demand for the fresh market are frozen and sold mostly along the Pacific Coast.

On both coasts, fresh whole fish generally go to small-and medium-sized plants for processing or repacking; from there the product goes to the retail or institutional trade. The frozen products (which are mostly imports) generally go through wholesalers and brokers mainly to retail stores and restaurants throughout the United States, but are generally more concentrated near the ports of entry. Imports of frozen fish from Canada enter through interior Customs ports of entry as well as along the coasts. Most large dealers who distribute Canadian frozen fish are headquartered in the northeast. A small volume of fresh groundfish fillets is airfreighted from New England to be sold in quality restaurants and retail outlets throughout the United States; some also is airfreighted to Europe.

Movement into the United States of frozen whole groundfish from eastern Canada is negligible. Those shipments that do take place consist almost entirely of imports of frozen whole cod from Canada to Puerto Rico. Fresh and frozen whole flatfish also enter from Europe, and frozen whole whiting

enters from several foreign sources. There are nominal entries of fresh whole groundfish from western Canada into the western United States.

Basically, Atlantic groundfish are consumed in the East and Pacific groundfish are consumed in the West. Exceptions are the fresh Atlantic fish fillets that are air-freighted to quality markets in the West, fresh whole black cod shipped from the West Coast to the New York City area, frozen packaged Pacific rockfish fillets which are shipped from the West Coast to the Atlantic Coast, and frozen ocean perch fillets which are distributed nationwide. Chicago is a target area for frozen ocean perch from both eastern Canada and western Canada, and in addition receives some ocean perch from both the east and west coasts of the United States.

Imports of groundfish from countries other than Canada enter through all the major ports, including Boston, New York City, Los Angeles, and San Francisco. Most enter by sea, but there are also minor shipments by air from Europe--mainly of whole flatfish.

U.S. Producers of Fish of Species Subject to Countervailing Duty Waivers

The fishing fleet

An estimated 700 New England and 300 west coast fishing vessels land groundfish in the United States. A large share of the west coast vessels fish for other species during part of the year. Only a few craft are based in Alaska, where efforts are now underway to establish a major U.S. groundfish industry. There are some commercial landings of groundfish in Eastern ports south of New York, but such landings are generally either incidental to other fishing operations or are concentrated efforts for only a short period of each year.

Groundfish filleting firms

There are approximately 100 groundfish filleting firms in the United States. Massachusetts has the largest number of firms (45), followed by New York (15), Washington (10), California (8), Oregon (7), Maine (7), and New Jersey (4). Generally, there is one plant for each firm, with a few exceptions in Oregon, California, Maine, and Massachusetts. These exceptions are firms that have one or two small plants in alternate ports. All of the processing firms buy the domestically-landed groundfish from the fishing trawlers and then process the fish into fillets, which may be sold as a fresh or frozen product. In some instances, the fillets are further processed into smaller pieces for "fish and chips" or into fish blocks, which are later used for fish sticks and fish portions. The filleting operation entails a considerable amount of hand labor. A few firms have filleting machines, but in the normal processing situation such machines are not as economical as cutting the fillets by hand. Production varies somewhat from day to day, depending largely on the supply of raw fish. The firms attempt to sell their output in the fresh form as much as possible to obtain the best price.

However, when they have a surplus that can't be sold fresh, they freeze the fillets or have the fillets frozen for them. Many firms, especially the smaller ones, do not have freezing equipment.

Filleting operations differ within the various ports and among the firms within each port. Some firms may operate on the basis of a 40-hour work-week; some may work overtime frequently, and others employ their filleting personnel at well below 40 hours a week. Many of the New England plants operate virtually entirely on groundfish, supplementing their production, to a greater or lesser extent, with other items such as swordfish, herring, scallops, or lobsters. Further south--New York and beyond--the processing firms generally are much more dependent upon shellfish and upon fish other than groundfish. Along the west coast, there are a few major firms that operate predominantly on groundfish, but most are diversified heavily into other seafoods such as salmon, halibut, crabs, or shrimp. Groundfish and scallop processing tend to be year-round operations, whereas the other fishery items are seasonal.

Most of the primary processing firms cut fillets only from domestically-landed fish, but many in Boston and a few in Maine and Washington depend heavily on imports of fresh whole fish from Canada.

The New England groundfish fleet

According to the National Marine Fisheries Service (NMFS), over 75 percent by value of the fish under investigation are harvested by otter trawl (a bag-shaped net that is towed across the sea bottom). The following tabulation shows that the number of vessels in New England using otter trawl as the principal gear increased irregularly from 552 vessels in 1974 to 605 vessels in 1979.

	Vessels in the New England Otter Trawl Fleet over 5 tons
1974	552
1975	557
1976	565
1977	558
1978	575
1979 (estimated)	605

Among the new entries into the fleet are 45 vessels that were built with Federally insured loans or under a Federal tax deferral program. In 1980, it is estimated that an additional 15 new vessels will enter the New England groundfish fleet. According to the NMFS, numerous small vessels are engaged in the groundfish fishery for at least part of the year. Other gear used in New England for catching groundfish are gillnets and longlines.

New England processing plants

Available data indicate that the capacity of New England plants to process groundfish has increased since 1973. Table 1 shows that the number of plants processing cod, haddock, and flounder fillets and blocks increased by 35 percent from 1973 to 1977. There also were sharp increases from 1973 to 1977 in the quantity and value of the output of these plants. These figures cover virtually all plants that process fresh groundfish and all plants that process frozen groundfish in New England.

Table 1.--New England plants processing cod, haddock, and flounder fillets and blocks, 1973 and 1977 1/

Item	1973	1977
Number of plants	49	66
Quantity--millions of pounds	45.8	61.3
Value--millions of dollars	47.4	88.4

1/ Includes plants that process frozen groundfish blocks into portions as well as plants that buy whole fresh fish and process them into fillets. As a result, the number of firms listed here is higher than that on p. A-25.

Source: National Marine Fisheries Service, as reported in The Fishery Conservation and Management Act's Impact on Selected Fisheries, April 1979.

Government Regulation of U.S. Fisheries

Concern over the depletion and overfishing of fisheries off the U.S. coast led to the enactment of the Fishery Conservation and Management Act of 1976 (FCMA). The FCMA, which was signed on April 13, 1976, and became effective March 1, 1977, established an extended 200-mile fishery conservation zone (FCZ) and provided for exclusive jurisdiction of the United States over this zone under a new fisheries management system.

The FCMA established eight regional councils, whose members consist of industry and Government officials appointed by the Department of Commerce. Each regional council's members are charged with the development and administration of a series of fishery management plans (FMP's) for that council's region. The FMP's, each of which deals with a specific species separately within the geographical area managed by the council, attempt to define the level of fishing that will permit the optimum yield from the fishery without depleting the fish stocks. The provisions of the act provide authority for the councils to establish quotas or limit access to the fisheries by combinations of restrictions on the number of fishing vessels and limits to the seasons or zones for fish harvesting. An inherent problem which must be considered by the councils when developing the FMP's is the conflict between the goals of preserving and rebuilding the fish stocks for the future while insuring the current health of the domestic fishing industry.

In 1979, the program determined that the total optimum yield for the U.S. fisheries regions within the 200-mile limit was 2.7 million metric tons, whole fish (fresh-caught or "round" weight). With a U.S. capacity of 608,000 metric tons and a reserve requirement of 179,000 metric tons, foreign vessels fishing within the 200-mile limit were to be allowed a catch of 1.9 million metric tons, all but 153,000 metric tons of which were to be allocated by country. Of the total foreign allocation, Japan accounted for 1.1 million metric tons, the U.S.S.R. accounted for 347,000 metric tons, and the Republic of Korea accounted for 120,000 metric tons. Nearly 85 percent of all of the foreign fisheries allocations have been made in the waters off Alaska. The North Atlantic and Gulf of Mexico areas account for only 10 percent of the total allocated to foreign vessels.

The program announced in 1979 for the U.S. fisheries within the 200-mile limit in the North Atlantic and Gulf of Mexico, estimated the optimum yield to be 519,000 metric tons, round weight, and U.S. production capacity to be 340,000 metric tons, as shown in table 2. No reserve was allocated for the region, and foreign vessels fishing within the 200-mile limit were allocated 179,000 metric tons, of which all but 36,000 metric tons was allocated by country. The principal countries receiving allocations were: the U.S.S.R., with 72,000 metric tons; Spain, with 19,000 metric tons; Mexico, with 16,000 metric tons; and Japan, with 10,000 metric tons. Canadian allocations were not made pending the reaching of an agreement on the boundary and on the quantity to be allocated.

Table 2.--North Atlantic and Gulf of Mexico area: 1979 FMP estimates of the optimum yield for fish covered by this investigation, and other fish and shellfish, U.S. capacity, and total allowable level of foreign fishing (as of April 30, 1979).

(In metric tons)

Item	Groundfish covered by this investigation				All other fish and shellfish	Total
	Whiting	Red Hake	Other 1/	Total		
Optimum yield	98,800	32,000	247,000	377,800	141,650	519,450
U.S. capacity	46,600	8,600	200,200	255,400	84,800	340,200
Total allowable level of foreign fishing (TALFF):						
Allocated by country:						
U.S.S.R.	31,322	15,592	20,560	67,474	4,745	72,219
Spain	1,155	661	4,616	6,432	12,115	18,547
Mexico	1,240	640	4,128	6,008	10,226	16,234
Japan	1,500	381	2,748	4,629	5,756	10,385
All other	8,053	2,178	6,665	16,896	8,991	25,887
Total	43,270	19,452	38,717	101,439	41,833	143,272
Not allocated by country	8,930	3,948	8,083	20,961	15,017	35,978
Total	52,200	23,400	46,800	122,400	56,850	179,250

1/ Although some other species are included in this allocation, it consists, by and large of groundfish of the species covered in this investigation, such as cod, flatfish, and other groundfish.

Source: Compiled from official data of the office of Resource Conservation and Management and of the U.S. Department of State.

On January 4, 1980, as part of its sanctions against the U.S.S.R. for the invasion of Afghanistan, the United States announced that it would no longer allow the Soviet fishing fleet to fish within the U.S. 200-mile fishing zone except in the Gulf of Alaska, where negotiations between the United States and the U.S.S.R. had been completed. Allocations for the other areas, including the Atlantic and Gulf of Mexico areas had not yet been finalized by agreement and the share that was to be allotted to the U.S.S.R. will probably be offered to other countries. Other countries, however, do not now catch all that they are allocated. If other countries do not replace the Russian vessels in the remaining groundfish areas, it is likely that there will be reduced fishing pressure and the U.S. fishing industry will benefit indirectly. The fish will be allowed to grow in size and numbers and thereby recover somewhat from the fishing pressure of the past 15 years.

The effect of excluding the Russians from the fishing grounds off the northeastern States probably will not be great. The Russians took less than

30 million pounds of their allocation in 1979, and consequently were to be given a reduced allocation for 1980. Of the 1980 allocation, most of the catch probably would have been groundfish. Japan will probably benefit the most from any reallocation of the U.S.S.R. quota (mainly in the Pacific), but Japan has not filled its quotas in recent years.

Regardless of sanctions, the Russians will be allowed to continue to engage in joint ventures with U.S. fisherman for Pacific whiting as they did in 1978-79--but they are not expected to do so because of the cost. It has been feasible for Russian vessels to both fish and supplement their catches with the catches of U.S. vessels, as was done in 1978-79; but it may be impractical for Russian vessels to buy all of their whiting from U.S. vessels, as would be necessary under the sanctions.

The conservation quotas first established in 1977 on cod, haddock, and yellow-tail flounder off the New England coast reportedly have been a problem for New England fishermen. The fishermen had not been seriously hampered by conservation quotas before, and they felt that the quotas were far too small for the volume of fish available. However, the quotas were not strictly enforced--largely because the enforcement staff was not large enough--and have been liberalized several times on cod and haddock.

U.S. Government Benefits Available to U.S. Fishermen

In connection with the fishing industry, it is of interest to note that a number of Government-sponsored benefits are available. Those benefits for which all U.S. fishermen are eligible include:

1. The Fishing Vessel Obligation Guarantee Program.--Provides financing of up to 87-1/2 percent of the cost of constructing, reconstructing, or reconditioning fishing vessels. Generally, interest rates to purchase a $350,000 vessel in this program are 2 percent less than commercially available rates. In 1978, $74.9 million in guaranteed loans were approved; in 1979 that amount was expected to double;

2. The Fishing Vessel Capital Construction Fund Program.--A tax deferral program under which fishing vessel owners deposit operational income into the Fund to accrue capital to offset the cost of constructing, reconstructing, or reconditioning fishing vessels. Since the program began, a total of 1,530 fishing vessel owners have entered the program; 421 entered in 1978;

3. The Fishermen's Guaranty Fund Program.--Provides insurance for U.S. vessels that fish off foreign coasts. In 1978, 171 U.S. vessels were insured and 13 seizure claims were filed; none of the claims were for vessels harvesting groundfish;

4. The Fishing Vessel and Gear Damage Compensation Fund Program.--Reimburses fishermen for any damage to their vessels which was caused by

a foreign vessel operating within 200 miles of the United States coast. In addition, the program provides direct compensation to fishermen whose fishing gear is lost or damaged by foreign or domestic vessels or natural causes;

5. The Fishermen's Contingency Fund.--Reimburses fishermen for damage to vessels and gear or economic loss resulting from oil and gas operations on the Outer Continental Shelf;

6. Free medical care is offered to fishermen by the U.S. Public Health Service; and
7. Foreign fishing vessels are prohibited from landing fish in U.S. ports.

The tax deferral program has been the main impetus in recent years for adding new vessels to the groundfish fleet. Most are financed privately, rather than through the aforementioned Government loan program, and many pay floating interest rates as high as 24 percent. Fish Boat magazine (Dec., 1979) lists 1979 construction at about 34 otter trawlers and 14 otter trawler-combination vessels for the northeast coast and 7 otter trawlers and 17 combination vessels for the west coast. Combination vessels primarily operate in high-value fisheries--such as scallops on the east coast and shrimp or Alaska crab on the west coast--and secondarily on groundfish, if necessary, either in an off-season or else if the primary fishery becomes less economical. Seven U.S. vessels now delivering groundfish to U.S.S.R. factory ships off Alaska are combination vessels that will return to crab fishing this Spring when the crab season reopens. Other west coast vessel owners would like to fish for groundfish, but because of market conditions the U.S. buyers are accepting landings only from their regular suppliers.

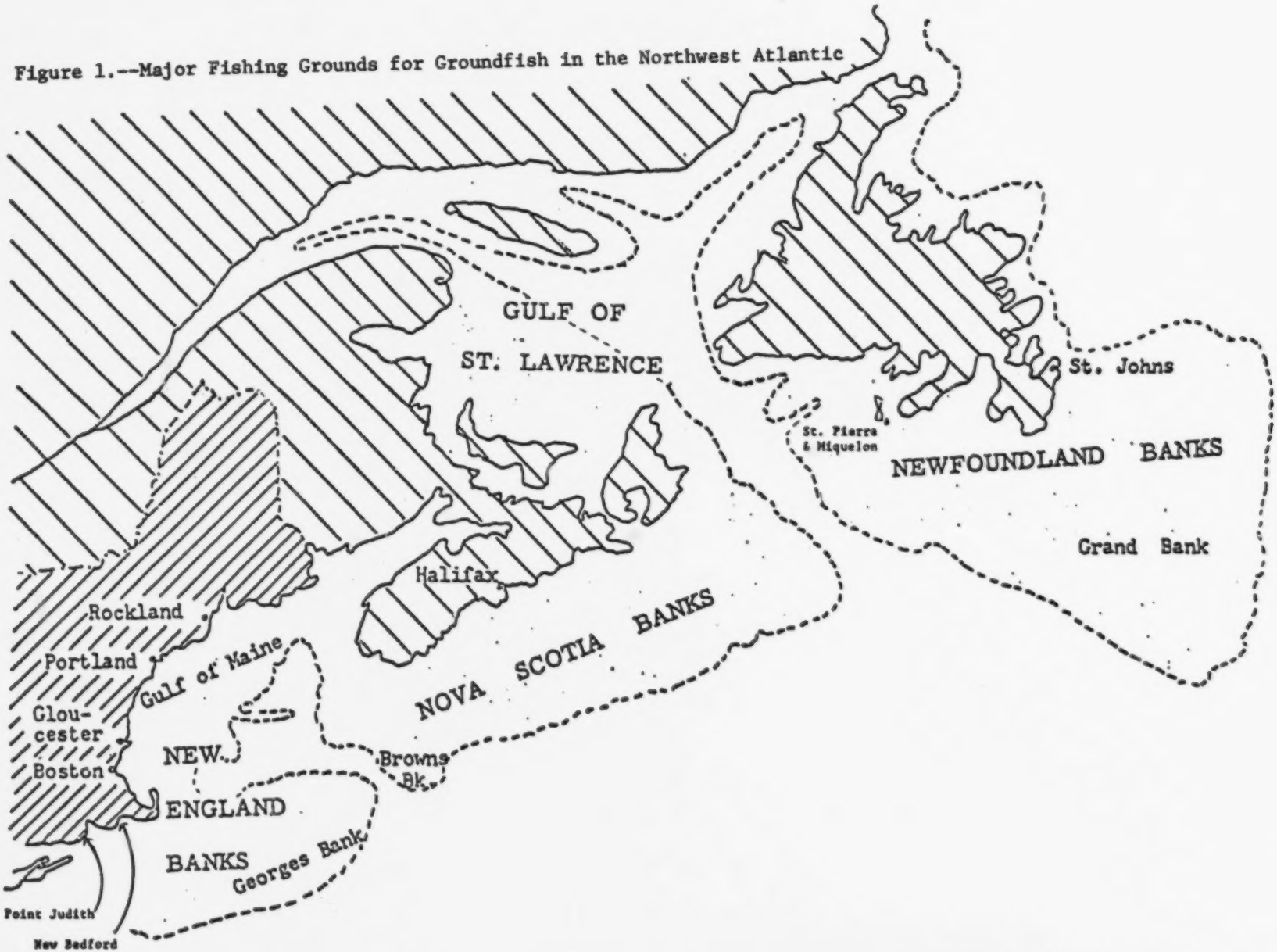
U.S.-Canadian Fisheries Agreements

Atlantic coast of the United States

The harvesting of fish off the northeastern United States was, until January 1, 1977, regulated under the terms of the International Commission for the Northeast Atlantic Fisheries (ICNAF) which was entered into by 18 nations, among which were Canada and the United States. On December 31, 1976, the United States withdrew from ICNAF after it negotiated the FCMA. In January 1977, 2 months ahead of the United States, Canada established a 200-mile off-shore fishing zone; until 1977, neither the United States nor Canada claimed any jurisdiction over fishing activities beyond 12 miles from their coasts. However, the U.S. and Canadian claims of fishery jurisdiction overlap on the Georges Bank, one of the most lucrative fishing grounds in the Atlantic. The United States claims all of Georges Bank and Canada claims the eastern end of it (figures 1 and 2).

During 1977, an interim fishing agreement allowed for reciprocal United States and Canadian fishing rights within the newly established 200-mile fishing zones while the Governments were negotiating the status of the disputed area. Since June 1978, when this agreement expired, Canada has banned U.S. fishermen from its Atlantic waters, and the United States has

Figure 1.--Major Fishing Grounds for Groundfish in the Northwest Atlantic



Source: US Tariff Commission, Groundfish Fillets (1956)

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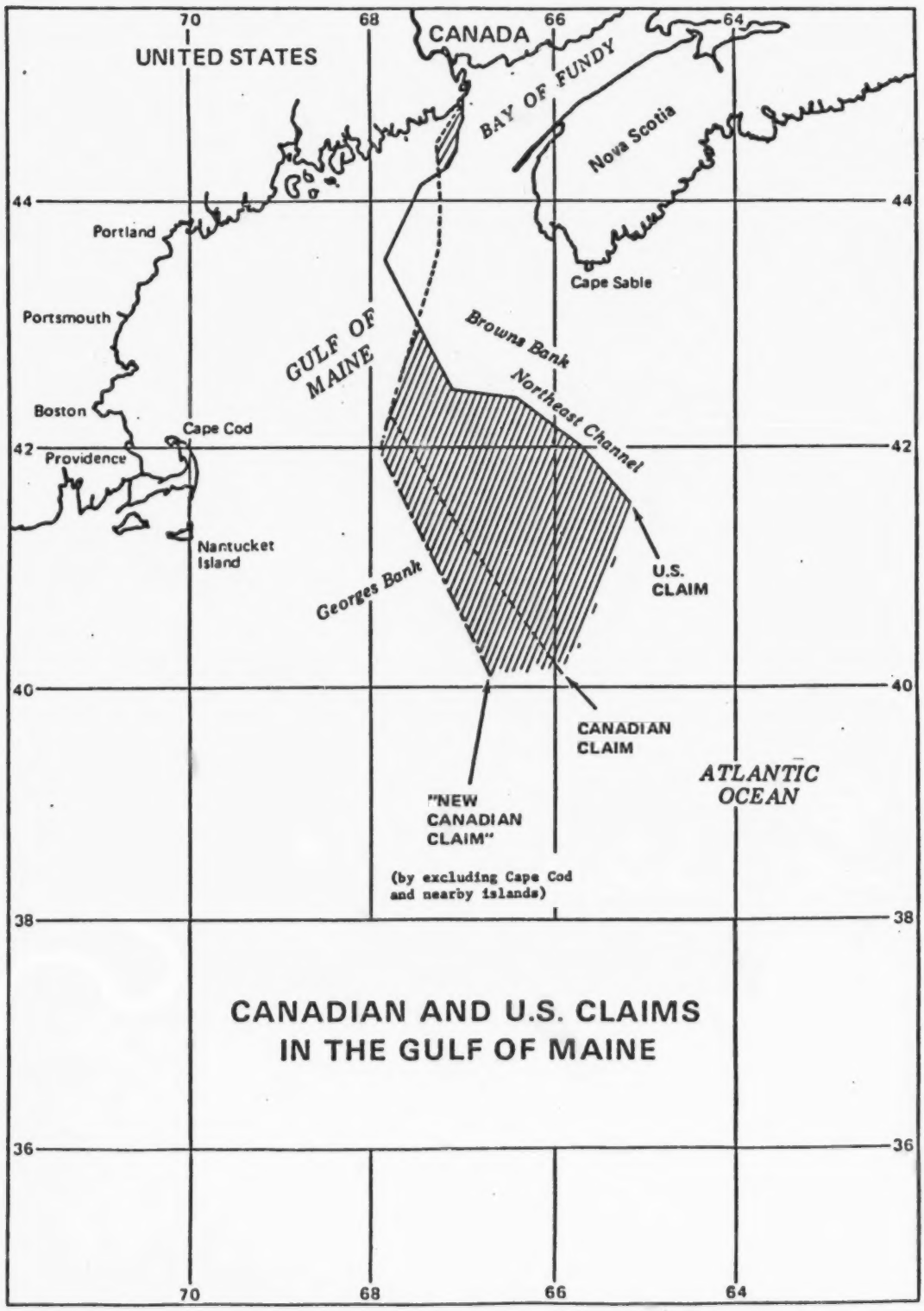
Figure 2.--Canadian And U. S. Claims in the Gulf of Maine



Source: Comptroller General of the United States, The Fishery Conservation and Management Act's Impact on Selected Fisheries, 1979

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similarly prohibited Canadian fishermen from fishing in its zone. Both nations have continued to fish in the disputed area.

On March 29, 1979, two agreements were signed by the United States and Canada; on May 3, 1979, the agreements were submitted to the Senate for ratification. 1/ One agreement provides for binding arbitration by the International Court of Justice over the maritime boundary; the other agreement establishes management responsibilities and share entitlements for each species. Reciprocal fishing rights are also restored. Under the terms of the fisheries agreement, the United States receives primary management responsibility for the important groundfish stocks of the Georges Bank. The United States and Canadian entitlement shares are 83 and 17 percent, respectively, for cod; and 79 and 21 percent, respectively, for haddock. 2/ The joint management of some stocks (e.g., pollock) will be given to the U.S./Canadian East Coast Fisheries Commisssion, which is to be established.

The terms of the agreements differ in some respects from the system established for the treatment of "foreign" nations under the Fishery Conservation and Management Act of 1976. However, it is expected that the positions that will be adopted by the United States in the U.S./Canadian Fishery Commission, which will also monitor the agreement, will be based on the FMP's developed by the regional councils.

Pacific coast of the United States

Prior to the enactment of the FCMA, reciprocal fishing by U.S. and Canadian groundfish vessels was permitted by an executive agreement. From 1965 through 1974 it is estimated that an average of 75 percent of the total catch of groundfish vessels based in Washington State was harvested from Canadian waters. Reciprocal fishing rights were continued in 1977 under an amendment to the FCMA, but were temporarily withdrawn in 1978. The present United States-Canadian agreement permits the United States to primarily harvest rockfish in the Canadian fishery zone until 1981, when the zone will be closed to U.S. fishermen. The temporary 1978 closure of Canadian waters forced these U.S. fishermen to fish off the Washington and Oregon coasts.

The Canadian Groundfish Industry

Fisheries form the economic base for much of the coast of eastern Canada. Due to the seasonality of fishing and the great distances from the typical coastal community to the major markets, fishing and fish processing have tended to be financially marginal. There is a great deal of seasonal

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1/ As of April 24, 1980, action was still pending.

2/ Entitlement shares are subject to revision every 10 years; the total amount to be harvested is determined on an annual basis by the country having primary management responsibility for that species.

unemployment, and alternative employment is usually scarce. The eastern Canadian groundfish industry has developed largely as a result of concerted development programs, including subsidies from the Federal and Provincial Governments, combined with the investments of a few large firms. Various subsidy programs have been undertaken over many years. In addition to the programs cited by the Department of the Treasury, as outlined in the section on Canadian subsidies and grants, a new program was recently announced to invest CAN $200 million in Provincial funds and CAN $250 million in private funds in the continued effort to upgrade the Newfoundland economy through development of the groundfish resources.

The groundfish industry of eastern Canada is greatly concentrated, with a few large companies owning the major share of the processing facilities and the more productive fishing craft. These large firms operate sales outlets in the United States, where an estimated 80 percent of the Canadian groundfish catch is sold; in addition, Canada is now developing markets for its groundfish in Europe. In any case, whereas fishermen in both eastern Canada and New England are landing the same species and selling to the same basic market, the New England primary processing plants are owned by smalland medium-sized firms, and fishing vessels are individually owned. Furthermore, the New England processing firms sell through wholesalers and brokers rather than attempting to merchandise the product themselves.

The Canadian Government is trying to arrange opportunities for more eastern fishermen to own larger fishing vessels. It is also encouraging the use of larger craft to take advantage of the large off-shore resources and thus reduce the seasonality that exists at present. The smaller inshore fishermen may be adversely affected by competition from larger off-shore vessels.

Canada's west coast groundfish industry is small relative to the east coast. Much of it is also controlled by a few large firms, although there also are cooperatives for fishing and processing. The western fishing vessels are largely individually owned and are reported to be relatively large and modern. The processing plants in western Canada are reported to be modern.

Beginning in 1980, Canadian fishermen and processors are being permitted to sell to foreign vessels the catches that are surplus to the processing and marketing capability of Canadian industry. Similar arrangements were permitted in the past, but reportedly may have caused some market disruptions. The Canadian Government prohibits such sales to countries that in turn sell their fish in competition with Canadian fish in other countries.

As a result of Canada's 200-mile fishing limits, the number of foreign vessels fishing within the zone shrank from 1,500 in 1974 to about 500 in 1977. In the Canadian Atlantic groundfish management plan for 1979, Canada allotted its industry 265,000 metric tons of cod (not including the disputed Georges Bank Area), as compared to 211,000 metric tons in 1978, and 175,000 metric tons in 1977.

The Canadian Atlantic Coast Groundfish Management Plan for 1979 (excluding Georges Bank) is summarized as follows (in metric tons):

Fish	Canada's Quota	Total allowable catch
Cod	265,000	450,000
Ocean perch	88,000	135,000
Haddock	24,000	26,000
Flatfish (except halibut)	139,000	163,000
Pollock	21,000	30,000
Whiting	10,000	70,000
Grenadier	1,000	35,000
Argentine	1,000	20,000

The United States was allowed to take some fish in exchange for Canadian rights to fish within the U.S. zone. In addition, France was given catch allocations in exchange for Canadian rights to fish within the zone of St. Pierre and Miquelon. The fleets of other nations were allowed to fish within Canada's 200-mile zone, in line with Canadian regulations and paying required fees. However, as shown above, about 60 percent was reserved for Canadians.

A portion of the Grand Bank extends beyond the 200-mile limit. Most concerned fishing nations, including the United States, have agreed by treaty to practice certain conservation measures in that area. A few other countries, not signatories to the treaty, also fish there, however, and, by not practicing conservation, tend to disrupt the attempts to conserve the fisheries of the Grand Bank. This area is out of the range of the typical U.S. groundfish vessel.

Canadian groundfish landings have increased more rapidly in recent years than those of the United States. They increased from 971 million pounds in 1975 to about 1.5 billion pounds in 1979. Landings by type of fish, for 1978-79, are shown in table 3. Newfoundland accounted for 50 percent of Canada's groundfish catch; Nova Scotia, for 30 percent; other Atlantic Provinces, combined, for 15 percent; and British Columbia, for 5 percent.

Table 3.--Groundfish: Canadian landings, 1/ by types and by oceans, 1978-79

Ocean and type	1978			1979		
	Quantity	Value	Unit Value	Quantity	Value	Unit Value
	1,000 pounds	1,000 pounds	Cents per pound	1,000 pounds	1,000 dollars	Cents per pound
Atlantic:						
Cod	655,355	86,356	13	786,604	115,722	15
Haddock	94,310	18,508	20	70,573	14,736	21
Ocean perch	163,750	12,538	8	175,985	15,383	9
Flatfish	307,126	30,964	10	322,993	36,377	11
Pollock	53,164	4,219	8	60,919	6,326	10
Hake	24,390	2,101	9	26,275	2,483	9
Cusk	11,784	1,431	12	10,686	1,733	16
Wolf fish	7,276	519	7	8,731	766	9
Other	11,362	604	5	7,516	607	8
Total or average	1,328,517	157,240	12	1,470,282	194,133	13
Pacific:						
Cod	14,346	2,271	16	3,896	1,784	46
Lingcod	3,547	1,308	37	19,857	3,827	19
Sablefish	1,381	895	65	3,281	2,848	87
Flatfish	12,311	1,638	13	12,977	2,360	18
Rockfish	22,714	2,584	11	18,768	2,809	15
Other	6,154	391	6	8,516	656	8
Total or average	60,453	9,087	15	67,295	14,284	21
Grand total or average	1,388,970	166,327	12	1,537,577	208,417	14

1/ Estimated on basis of revised Jan.-Nov. 1978 and and preliminary Jan.-Nov. 1979 figures. Value in Canadian money.

Consideration of Material Injury or the Likelihood Thereof

U.S. production and shipments

Whole groundfish.--U.S. production (landings) of whole groundfish of the species for which countervailing duties have been waived increased from 223 million pounds in 1974 to 255 million pounds in 1978, an increase of 14 percent. In 1979, however, such landings rose to 311 million pounds, as shown in table 4. Atlantic coast landings increased by 13 percent, from 180 million pounds in 1974 to 203 million pounds in 1978 and rose to 212 million pounds in 1979. Over half of the Atlantic catch consists of flatfish with a substantial portion of the rest accounted for by whiting and Atlantic ocean perch. Only small quantities of wolf fish are reported caught. Pacific coast landings of the fish under investigation fluctuated from lows of 39 million pounds reported

for 1975 and 1977 to a high of 99 million pounds reported for 1979. Until 1979, over 85 percent of the subject Pacific coast catch in recent years was of flatfish. In 1979, only two-thirds of the catch was of flatfish. It should be noted that, as will be discussed in the import section of this report, whole fish subject to more than de minimis bounties and grants enter the United States only from the Atlantic Provinces of Canada, while imports from the Pacific coast of Canada are subject to only de minimis bounties and grants.

Since nearly all of the domestic groundfish catch is converted into fillets and the demand for the output of U.S. fisherman can thus be affected by imported fillets, it may be appropriate to examine production (landings) of whole groundfish of species that are subject to countervailing duty waivers and are imported from Canada in fillet form. As shown in table 5, U.S. landings of whole fish of all species subject to countervailing duty waivers (whether of varieties imported whole or imported in fillet form) increased from 333 million pounds in 1974 to 525 million pounds in 1979. East coast landings rose from 280 million pounds in 1974 to 408 million pounds in 1979. U.S. producers' shipments of whole groundfish are generally equivalent to the size of the U.S. catch since prices will be reduced to clear the market of excess supplies.

Table 4.--Whole groundfish of species of whole groundfish subject to countervailing duty waivers: U.S. production (landings), by species and regions, 1974-79

(In 1,000 pounds, product weight)

Species and region	1974	1975	1976	1977	1978	1979 1/
Atlantic fleet landings:						
Flatfish, except halibut	107,801	104,912	107,497	116,523	114,742	141,031
Atlantic ocean perch	41,487	32,064	32,144	35,023	35,562	34,039
Whiting	29,513	42,315	47,685	45,315	50,884	35,264
Wolf fish	875	805	1,047	967	1,398	1,530
Total	179,676	180,096	188,373	197,828	202,586	211,864
Pacific fleet landings: 2/						
Flatfish, except halibut	36,827	35,586	41,723	35,375	45,345	68,257
Atlantic ocean perch	0	0	0	0	0	0
Whiting 3/	6,265	3,398	4,240	3,600	7,267	30,750
Wolf fish	0	0	0	0	0	0
Total	43,092	38,984	45,963	38,975	52,612	99,007
Total U.S. landings:						
Flatfish, except halibut	144,628	140,498	149,220	151,898	160,087	209,288
Atlantic ocean perch	41,487	32,064	32,144	35,023	35,562	34,039
Whiting	35,778	45,713	51,925	48,915	58,151	66,014
Wolf fish	875	805	1,047	967	1,398	1,530
Total	222,768	219,080	234,336	236,803	255,198	310,871

1/ Data for 1979 are preliminary Commerce Department figures.

2/ Canadian bounties and grants applicable to Canadian exports of groundfish from the Pacific coast of Canada are considered by the administering authority to be de minimis.

3/ Includes large quantities sold to U.S.S.R. factory ships in recent years.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--Whole groundfish of the species of whole or filleted groundfish subject to countervailing duty waivers: U.S. production (landings) by category, species and regions, 1974-79

(In 1,000 pounds, round weight)

Species and region	1974	1975	1976	1977	1978	1979 1/
Atlantic fleet landings:						
Of species imported in whole form	179,676	180,096	188,373	197,828	202,586	211,864
Of species imported in fillet form:						
Cod	58,655	56,134	56,030	76,901	83,356	99,352
Haddock	8,225	16,221	12,797	28,553	39,054	41,882
Pollock	19,526	20,930	23,810	28,591	37,340	35,546
Hake	11,029	11,203	14,084	14,903	15,180	15,921
Cusk	2,957	3,103	2,798	2,768	3,126	3,736
Subtotal	100,392	107,591	109,519	151,716	178,056	196,437
Total	280,068	287,687	297,892	349,544	380,642	408,301
Pacific fleet landings: 2/						
Of species imported in whole form	43,092	38,984	45,963	38,975	52,612	99,007
Of species imported in fillet form:						
Cod	10,014	12,238	12,940	10,948	10,710	12,382
Haddock	0	0	0	0	0	0
Pollock	126	46	504	712	3,892	5,625
Hake	0	0	0	0	0	0
Cusk	0	0	0	0	0	0
Subtotal	10,140	12,284	13,444	11,660	14,602	18,007
Total	53,232	51,268	59,407	50,635	67,214	117,014
Total U.S. landings:						
Of species imported in whole form	222,768	219,080	234,336	236,803	255,198	310,871
Of species imported in fillet form:						
Cod	68,669	68,372	68,970	87,849	94,066	111,374
Haddock	8,225	16,221	12,797	28,553	39,054	41,882
Pollock	19,652	20,976	24,314	29,303	41,232	35,546
Hake	11,029	11,203	14,084	14,903	15,180	15,921
Cusk	2,957	3,103	2.798	2,768	3,126	3,736
Subtotal	110,532	119,875	122,963	163,376	192,658	214,444
Total	333,300	338,955	357,299	400,179	447,856	525,315

1/ Data for 1979 are preliminary Commerce Department data.

2/ Canadian bounties and grants applicable to Canadian exports of groundfish from the Pacific coast of Canada are considered by the administering authorities to be de minimis.

Source: Compiled from official statistics of the U.S. Department of Commerce.

The placement of conservation quotas on the traditional groundfish species aroused complaints from U.S. fishermen. Most New England fishermen and processors contacted by the Commission have questioned the validity of the biological assessments of the fish stock sizes upon which the quotas are based. Industry sources have noted that, on one hand, capital investment was spurred with the passing of the FCMA, while quotas restrict the size of the catch. Some fishermen claim that fish caught above the quota are landed and sold as other species of groundfish; if so, landings statistics are in doubt.

Processors interviewed by the Commission's staff also objected to the disruption of their operations caused by the closures of the fishing grounds when quotas are exceeded. Imports from Canada have been cited as a means of insuring a constant supply of deliveries of groundfish to the processing plants.

Groundfish fillets.--The U.S. production of groundfish fillets of the species of groundfish fillets subject to countervailing duty waivers increased from 39 million pounds in 1975 to 79 million pounds in 1979 (table 6). Of the fillets covered by this investigation, cod leads in volume, haddock is second, and pollock is third. In 1978 about 75 percent of the domestic production of groundfish fillets under consideration was marketed fresh; in the case of ocean perch, about half was fresh and the other half was frozen (table 7).

Table 6.--Groundfish fillets of the species of groundfish fillets subject to countervailing duty waivers: U.S. production by species, 1974-79

(In 1,000 pounds, product weight)

Species	1974	1975	1976	1977	1978	1979 1/
Atlantic ocean perch	12,093	8,397	9,437	10,376	9,232	10,296
Cod	19,112	15,212	16,578	24,587	27,188	35,011
Haddock	8,899	8,219	4,664	14,658	17,392	15,925
Pollock	6,265	5,631	6,539	6,867	8,877	15,419
Cusk	1,246	1,228	1,789	1,905	1,657	1,428
Hake	1,867	715	1,428	1,549	1,227	758
Total	49,482	39,402	40,435	59,942	65,573	78,837

1/ Estimated on the basis of preliminary Department of Commerce data.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 7.--Groundfish fillets of the species of groundfish fillets subject to countervailing duty waivers: U.S. production by species and method of preparation, 1978

(In 1,000 pounds, product weight)

Species	Fresh or chilled	Frozen	Total
Atlantic ocean perch	4,763	4,469	9,232
Cod	20,623	6,565	27,188
Haddock	15,998	1,394	17,392
Pollock	5,626	3,356	8,877
Cusk	1,380	277	1,657
Hake	1,227	0	1,227
Total	49,617	16,061	65,573

Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. exports

U.S. exports of groundfish are extremely small, although, from time to time, the U.S. prices fall below Canadian prices and shipments of fish move northward from U.S. ports to Canadian markets. A few shipments are also made to Western Europe, primarily to the Scandinavian countries and the United Kingdom. So-called joint-venture fishing operations may be considered a form of exportation; however, they currently are not officially classified as such. Such joint ventures usually consist of U.S.-based vessels catching fish and delivering them to foreign processing ships. In 1978-79, joint ventures resulted in deliveries to Soviet ships off Washington, Oregon, and California, and to South Korean factory ships off Alaska. In 1980, the Soviet joint venture operations extended to Alaska where 7 U.S. fishing vessels were delivering fish to Soviet ships. There are no official statistics available with regard to exports of the whole groundfish or the groundfish fillets under investigation.

U.S. inventories

The U.S. inventories of groundfish and groundfish products fluctuate irregularly in line with fishing success. Year-end inventories of frozen ocean perch fillets, frozen cod fillets, and frozen haddock fillets in U.S. cold storage for 1973-76 and closing inventories for each calendar quarter from January 1976 through Dec. 31, 1979 are shown in table 8.

Table 8.--Frozen groundfish fillets: U.S. producers', wholesalers', and importers' inventories, by types, December 31 of 1973-75 and specified dates, March 31, 1976-December 31, 1979

(In millions of pounds, product weight)

Date	Ocean perch fillets	Cod fillets	Haddock fillets
December 31--			
1973	17.8	12.7	10.6
1974	27.3	17.8	10.4
1975	10.0	21.7	7.5
1976:			
March 31	7.8	18.0	5.7
June 30	5.2	18.6	5.0
September 30	15.8	21.9	4.7
December 31	14.3	16.2	5.1
1977:			
March 31	6.5	10.0	4.1
June 30	3.7	16.0	4.6
September 30	8.5	29.5	6.1
December 31	9.5	27.2	7.7
1978:			
March 31	3.8	20.4	4.8
June 30	3.3	23.7	5.1
September 30	8.1	29.1	5.5
December 31	11.5	21.7	6.3
1979:			
March 31	4.0	16.5	3.3
June 30	5.9	23.2	3.3
September 30	12.8	30.4	4.1
December 31	19.4	24.0	4.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. employment

Accurate data on the number of persons employed in the harvesting and processing sectors of the U.S. groundfish industry are not available. Many fishermen and employees of processing plants are either part time, seasonally employed, or work in more than one fishery. However, as vessels enter or leave the fishery, there is a corresponding increase or decrease in employment. It was estimated in a 1979 report by the Comptroller General of the United States that there has been an increase in employment in the New England commercial groundfish industry since the passage of the FCMA.

In Massachusetts, employment in the groundfish and shellfish industries increased by 11 percent from 1974 to 1977. According to union officials of the Atlantic Fishermen's Union in Gloucester, Mass., the number of Gloucester fishermen increased from approximately 650 in 1976 to 1,000 in 1978. The majority of these fishermen are believed to harvest some groundfish. 1/

Employment in a specific fishery, however, fluctuates widely, depending upon such factors as weather and market conditions. Sources contacted by the Commission have indicated that there has been a decrease in recent months in the number of fishermen on both the Atlantic and Pacific coasts and in Alaska who are primarily dependent on groundfish.

According to the Comptroller General's report, while the number of processing plants have experienced relatively steady increases from 1973 to 1977, employment in these plants has fluctuated from year to year. Overall, however, average monthly employment for cod, haddock, and flounder processing has increased from 1,659 to 1,852 employees, an increase of 193 jobs, or 12 percent.

In 1978, the Department of Labor reviewed petitions by fishermen and former fishermen of 28 New England groundfish vessels for certification of eligibility to apply for worker adjustment assistance as prescribed in section 222 of the Trade Act of 1974. No petitions were filed on behalf of fishermen harvesting fish off the midor southern-Atlantic, Gulf, or Pacific coasts. The crews of seven of these vessels, all operating out of Provincetown, Mass., were granted eligibility to apply for adjustment assistance because the Department of Labor determined that imports from Canada contributed importantly to declines in sales for the vessels and to the unemployment and underem-ployment of the crews. The crews of six of the vessels fished primarily for cod. The remaining crew also harvested scallops, a species of shellfish not under consideration in this investigation but which was under consideration in Commission investigation No. 303-TA-9. Of the 21 vessels denied eligibility, 20 fished for groundfish and 1 fished for groundfish and scallops.

Two petitions for worker adjustment assistance were reviewed by the Department of Labor in 1979. One petition was filed for a group of New England groundfish fishermen. The other was filed on behalf of the employees of a firm in New Jersey that is primarily engaged in the wholesaling and distribution of fresh and frozen fish. Fish fillets accounted for an insignificant percentage of the firm's sales. The workers in both petitions were denied eligibility to apply for assistance.

Financial experience of U.S. fishermen

In its countervailing duty investigation No. 303-TA-3 the Commission mailed numerous questionnaires to fishermen, but received few responses from them, and received no responses to the profit-and-loss sections of the questionnaires. In the recent escape clause investigation No. TA-201-41, in order to alleviate past problems in securing financial information, the Commission's staff, with the help of the domestic industry, devised a different financial questionnaire format that the fishermen reported was compatible with their current accounting practices. Approximately 700 questionnaires were sent to U.S. fishermen's associations on both the Atlantic

1/ Comptroller General of the United States, The Fishery Conservation and Management Act's Impact on Selected Fisheries, April 1979.

and Pacific coasts. At the public hearing, the petitioners (U.S. fishermen) were reminded of the Commission's need for adequate financial information in making the determination in that investigation. In addition, the Commission's staff made concerted efforts by telephone and field visits to obtain adequate questionnaire responses. However, by the end of the investigation, only 13 questionnaires had been returned, of which only 6 contained complete usable financial data for the period January 1975-September 1979. The majority of the returned questionnaires were from the Coast Draggers Association, Westport, Wash., the co-petitioner in that investigation. The questionnaires represented a majority of the boats in the Coast Draggers fleet, but only 22 percent of the quantity of domestic landings in the State of Washington, 7.2 percent of total west coast landings, and 2.3 percent of the quantity of domestic landings in the United States as a whole.

The aggregate net operating profit for the six groundfishing vessels that reported profit-and-loss data for the entire January 1975-September 1979 period increased each year from $86,000 in 1975 to $377,000 in 1978, as shown in table 9. However, in January-September 1979, net aggregate profit was sharply down to $169,000 from $298,000 in the corresponding period of 1978. Among the chief reasons for the sharp decline in net operating profit have been the limits the west coast processors have put on their supplying fishing vessels. 1/ In January-September 1979, the six reporting vessels landed 342,000 pounds less than in the corresponding period of 1978 (table 9). Other reasons for the decline in profitability in 1979 were a 41-percent increase in fuel costs, a 16-percent increase in ice costs, and a 50-percent increase in food costs. As could be expected, crew shares are down 63 percent from the corresponding period of 1978.

The ratio of net operating profit to net sales for the six reporting vessels increased from 14.1 percent in 1975 to 22.1 percent in 1978, as shown in the following tabulation. However, the ratio declined during January September 1979 to 20.7 percent from 22.7 percent during January-September 1978.

Ratio of net operating profit to net sales:

Year	Percent
1975	14.1
1976	14.8
1977	14.6
1978	22.1
January-September--	
1978	22.7
1979	20.7

1/ See app. L for copies of Pacific coast processors' official trip limit letters to their fishermen-suppliers.

The average net operating profit for each vessel owner (who is also the vessel's captain) has increased substantially during the 5-year period, as shown by the following tabulation.

Average vessel owner's (captain's) net profit:

Year	
1975	$14,333
1976	20,333
1977	28,166
1978	62,833
January-September--	
1978	49,666
1979	28,166

However, the vessel owner's profits declined significantly in January-September 1979 as compared with profits in the same period of 1978.

There are a few generalizations that can be made from the aggregate totals of the six reporting vessels. Sales of groundfish had increased 280 percent from 1975 ($610,000) to 1978 ($1,704,000); however, by all indications, 1979 sales of groundfish did not reach the 1978 levels. This has been especially hard on the vessel owners because their costs have increased, and their ability to land groundfish has been artificially limited by the processors. The Commission has not received any financial data from fishermen on the east coast. Trade publications indicate that the east coast fishermen too had an increase in profitability in 1978 and a decrease in 1979.

U.S. imports

U.S. imports from all countries of whole groundfish of the species subject to countervailing duty waivers increased from 15 million pounds in 1974 to 17 million pounds in 1976, fell to 14 million pounds in 1977, and rose irregularly to 22 million pounds in 1979, as shown in table 10. Imports of such whole fish from Canada, as shown in table 11, increased from an annual range of 2.9-3.8 million pounds during 1974-77 to 4.4 million pounds in 1978 and 9.5 million pounds in 1979.

U.S. imports from all countries of filleted groundfish of the species found by the administering authority to be subject to Canadian bounties and grants increased from 165 million pounds, fillet weight, in 1974 to 253 million pounds, fillet weight, in 1979, as shown in table 12. Such imports from Canada increased from 81 million pounds in 1974 to 112 million pounds in 1979, as shown in table 13. U.S. imports for consumption, by TSUSA item, are shown in tables J-1 through J-10 in supplemental statistical appendix J.

As shown in tables 10-13, imports of whole groundfish accounted for a very small portion of the imports covered by this investigation--about 2

percent of the total imports from Canada in fillet weight equivalent. Chief imports from Canada in 1979 were fillets of Atlantic ocean perch and frozen cod fillets.

U.S. imports of the articles under consideration in this investigation through Eastern U.S. customs districts are shown in tables J-11 through J-14. The trends shown for eastern U.S. imports from Canada are similar to those shown for imports from Canada into the United States as a whole. Imports from the Atlantic provinces of Canada are the only imports for which the Commerce Department found more than de minimis bounties and grants.

Table 9.--Aggregate profit-and-loss experience of six fishermen from Westport, Washington on all their groundfish operations, 1975-78, January-September 1978, and January-September 1979

Line no.	Item	Groundfish operations					
		1975	1976	1977	1978	January-September-- 1978	1979
	Gross stock (gross sales):						
1	Pounds----------(1,000 pounds)--	1/ 2,761	1/ 3,035	1/ 3,537	3,578	2,529	2,187
2	Dollars----------(1,000 dollars)--	610	822	1,157	1,704	1,311	818
	Trip expense:						
3	Fuel----------do----	19	67	80	72	56	79
4	Ice----------do----	4	7	7	8	6	7
5	Groceries----------do----	8	16	18	17	14	21
6	Association assessment and weighers----------do----	-	1	1	1	1	3
7	Total trip expense (lines 3-6)----------do----	31	91	106	98	77	110
8	Adjusted gross stock (line 2 less line 7)----------do----	579	731	1,051	1,606	1,234	708
	Operating expenses:						
9	Crew shares----------do----	211	283	480	608	464	170
10	Captain's share----------do----	-	-	-	-	-	36
11	Gear, nets, and supplies-----do----	35	34	46	57	45	33
12	Insurance----------do----	38	41	53	57	41	27
13	Vessel repair and maintenance----------do----	14	74	134	164	124	57
14	Taxes and licenses (other than Federal income tax)--------do----	13	14	9	23	19	13
15	Depreciation----------do----	102	97	94	98	75	76
16	Professional services----------do----	4	3	5	6	5	10
17	Other----------do----	76	63	61	216	163	117
18	Total operating expenses (lines 9-17)----------do----	493	609	882	1,229	936	539
19	Net operating profit (line 8 less line 18)----------do----	86	122	169	377	298	169

1/ Includes the estimated gross stock for one of six reporting companies.

Source: Compiled from data received in response to questionnaires of the U.S. International Trade Commission.

Table 10.--Whole groundfish of species subject to countervailing duty waivers: U.S. imports for consumption, from all sources, by species, 1974-79

Species	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, round weight)					
Flatfish, except halibut:						
Fresh or chilled	1,158	1,856	2,292	2,349	2,137	3,320
Frozen	1,885	3,786	3,168	3,547	3,045	3,998
Total	3,043	5,642	5,460	5,896	5,182	7,318
Atlantic ocean perch	1,362	451	1,644	249	416	132
Nonenumerated fish: 1/						
Fresh or chilled	729	1,212	903	1,090	2,061	5,815
Frozen	9,549	9,437	9,153	7,230	12,878	9,150
Total	10,278	10,649	10,056	8,320	14,939	14,965
Grand total	14,683	16,742	17,160	14,465	20,537	22,415
	Value (1,000 dollars)					
Flatfish, except halibut:						
Fresh or chilled	354	511	562	795	842	1,142
Frozen	1,854	4,145	5,722	5,084	5,023	8,055
Total	2,208	4,656	6,284	5,879	5,865	9,197
Atlantic ocean perch	620	205	716	171	433	32
Nonenumerated fish: 1/						
Fresh or chilled	218	363	245	422	475	1,103
Frozen	3,926	3,772	3,184	3,215	5,925	6,162
Total	4,144	4,135	3,429	3,637	6,400	7,265
Grand total	6,972	8,996	10,429	9,687	12,698	16,493
	Unit value (cents per pound)					
Flatfish, except halibut:						
Fresh or chilled	30.6	27.5	24.5	33.8	39.4	34.4
Frozen	98.4	109.5	180.6	143.3	165.0	201.5
Total	72.6	82.5	115.1	99.7	131.2	125.7
Atlantic ocean perch	45.5	45.5	43.6	68.7	104.1	23.5
Nonenumerated fish: 1/						
Fresh or chilled	29.9	30.0	27.1	38.7	23.0	19.0
Frozen	41.1	40.0	34.8	44.5	46.0	67.3
Average for total	40.3	38.8	34.1	43.7	42.8	48.5
Average for grand total	47.5	53.7	60.8	67.0	61.8	73.6

1/ Imports of nonenumerated fish include imports of wolf fish and whiting, among substantial quantities of other types of fish.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 11.--Whole groundfish of species subject to countervailing duty waivers: U.S. imports for consumption, from Canada, by species, 1974-79

Species	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, round weight)					
Flatfish, except halibut:						
Fresh or chilled	1,054	1,784	2,214	2,085	1,750	2,872
Frozen	224	440	122	208	382	517
Total	1,278	2,224	2,336	2,293	2,132	3,389
Atlantic ocean perch	265	52	527	71	84	33
Nonenumerated fish: 1/						
Fresh or chilled	649	1,043	584	902	1,729	5,564
Frozen	693	462	318	413	445	496
Total	1,342	1,505	902	1,315	2,174	6,060
Grand total	2,885	3,781	3,765	3,679	4,390	9,482
	Value (1,000 dollars)					
Flatfish, except halibut:						
Fresh or chilled	236	428	517	528	495	754
Frozen	111	203	63	134	350	523
Total	347	631	580	662	845	1,277
Atlantic ocean perch	156	27	95	67	62	6
Nonenumerated fish: 1/						
Fresh or chilled	178	253	116	292	319	943
Frozen	292	140	127	285	239	273
Total	470	393	243	577	558	1,216
Grand total	973	1,051	918	1,306	1,465	2,499
	Unit value (cents per pound)					
Flatfish, except halibut:						
Fresh or chilled	22.4	24.0	23.4	25.3	23.3	26.3
Frozen	49.6	46.1	51.6	64.4	91.6	101.2
Total	27.2	28.4	24.8	28.9	39.6	37.7
Atlantic ocean perch	58.9	51.9	18.0	94.4	73.8	18.2
Nonenumerated fish: 1/						
Fresh or chilled	27.4	24.3	19.7	32.4	18.4	16.9
Frozen	42.1	30.3	39.9	69.0	53.7	55.0
Average for total	35.0	26.1	26.9	43.9	25.7	20.1
Average for grand total	33.7	27.8	24.4	35.5	33.4	26.4

1/ Imports of "nonenumerated" fish from Canada include substantial quantities of wolf fish and whiting, among other types of fish.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 12.--Whole and filleted groundfish of species subject to countervailing duty waivers: U.S. imports for consumption, from all sources, by species, 1974-79

Type and species	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, fillet weight)					
Whole groundfish 1/	4,405	5,023	5,148	4,340	6,161	6,724
Filleted groundfish:						
Atlantic ocean perch	59,666	67,592	60,346	45,239	47,561	52,780
Cod:						
Fresh or chilled	3,079	4,104	5,105	3,669	3,959	7,487
Frozen	68,475	86,913	113,342	118,600	131,047	137,170
Total	71,554	91,017	118,447	122,267	135,006	144,657
Cusk, haddock, hake, and pollock:						
Fresh or chilled	1,830	2,524	2,935	3,009	3,301	3,916
Frozen	32,302	39,223	46,559	46,907	47,238	51,603
Total	34,132	41,747	49,494	49,916	50,539	55,529
Total fillets	165,352	200,356	228,287	217,422	233,106	252,966
Grand total, whole and filleted groundfish	169,757	205,379	233,435	221,762	239,267	259,690
	Value (1,000 dollars)					
Whole groundfish 2/	6,972	8,996	10,429	9,687	12,698	16,493
Filleted groundfish:						
Atlantic ocean perch	28,109	37,723	46,578	38,964	44,406	52,848
Cod:						
Fresh or chilled	2,445	2,975	4,665	3,799	4,258	8,316
Frozen	54,500	67,795	97,754	122,544	141,683	164,901
Total	56,945	70,752	102,419	126,343	145,941	173,217
Cusk, haddock, hake and, pollock:						
Fresh or chilled	1,508	2,052	2,784	2,866	3,490	4,336
Frozen	22,709	26,098	35,686	42,305	46,239	54,552
Total	24,217	28,150	38,470	45,171	49,729	58,888
Total, fillets	109,271	136,625	187,467	210,478	240,076	284,953
Grand total, whole and filleted groundfish	116,243	145,621	197,896	220,165	252,774	301,446

See footnote at end of table.

Table 12.--Whole and filleted groundfish of species subject to countervailing duty waivers: U.S. imports for consumption, from all sources, by species, 1974-79--(Continued)

Type and species	1974	1975	1976	1977	1978	1979
	Unit value (cents per pound)					
Whole groundfish 3/	158.3	179.1	202.6	223.2	206.1	245.3
Filleted groundfish:						
Atlantic ocean perch	47.1	55.8	77.2	86.1	93.4	100.1
Cod:						
Fresh or chilled	79.4	72.5	91.4	103.6	107.6	111.1
Frozen	79.6	78.0	86.2	103.3	108.1	120.2
Average	79.6	77.7	86.5	103.3	108.1	119.7
Cusk, haddock, hake and, pollock:						
Fresh or chilled	82.4	81.3	94.9	95.2	105.7	110.7
Frozen	70.3	66.5	76.6	90.2	97.9	105.7
Average	71.0	67.4	77.7	90.5	98.4	106.1
Average for total fillets	66.1	68.2	82.1	96.8	103.0	112.6
Average for grand total, whole and filleted groundfish	68.5	70.9	84.8	99.3	105.6	116.1

1/ Quantity as reported by the U.S. Department of Commerce converted to fillet weight using a factor of 30 percent.

2/ As reported by the U.S. Department of Commerce.

3/ Whole fish value, as reported by the U.S. Department of Commerce, divided by fillet weight.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 13.--Whole and filleted groundfish of species subject to countervailing duty waivers: U.S. imports for consumption, from Canada, by species, 1974-79

Type and species	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, fillet weight)					
Whole groundfish 1/	866	1,134	1,130	1,104	1,317	2,845
Filleted groundfish:						
Atlantic ocean perch	56,094	63,763	53,887	37,217	42,329	40,244
Cod:						
Fresh or chilled	2,858	3,436	5,005	3,625	3,896	7,447
Frozen	16,064	20,727	23,166	26,177	35,457	43,367
Total	18,922	24,163	28,171	29,802	39,353	50,814
Cusk, haddock, hake, and pollock:						
Fresh or chilled	1,676	2,333	2,268	2,450	2,994	3,632
Frozen	4,483	6,576	6,936	9,864	16,283	17,696
Total	6,159	8,909	9,204	12,314	19,277	21,328
Total fillets	81,175	96,835	91,262	79,333	100,959	112,386
Grand total, whole and filleted groundfish	82,041	97,969	92,392	80,437	102,276	115,231
	Value (1,000 dollars)					
Whole groundfish 2/	973	1,051	918	1,306	1,465	2,499
Filleted groundfish:						
Atlantic ocean perch	26,372	35,600	41,832	32,664	39,830	41,769
Cod:						
Fresh or chilled	2,296	2,622	4,578	3,764	4,199	8,251
Frozen	12,009	13,956	18,253	24,997	36,152	44,729
Total	14,305	16,578	22,831	28,761	40,351	52,980
Cusk, haddock, hake, and pollock:						
Fresh or chilled	1,388	1,905	2,242	2,374	3,145	3,998
Frozen	2,563	3,791	4,609	7,479	14,310	16,674
Total	3,951	5,696	6,851	9,853	17,455	20,672
Total, fillets	44,628	57,874	71,514	71,278	97,636	115,421
Grand total, whole and filleted groundfish	45,601	58,925	72,432	72,584	99,101	117,920

See footnote at end of table.

Table 13.--Whole and filleted groundfish of species subject to countervailing duty waivers: U.S. imports for consumption, from Canada, by species, 1974-79--(Continued)

Type and species	1974	1975	1976	1977	1978	1979
	Unit value (cents per pound)					
Whole groundfish 3/	112.4	92.7	81.2	118.3	112.2	87.8
Filleted groundfish:						
Atlantic ocean perch	64.8	55.8	77.6	87.8	94.1	103.8
Cod:						
Fresh or chilled	80.3	76.3	91.5	103.8	107.8	110.8
Frozen	74.8	67.3	78.8	95.5	102.0	103.1
Average	75.6	68.6	81.0	96.5	102.5	104.3
Cusk, haddock, hake, and pollock:						
Fresh or chilled	82.8	81.7	98.9	96.9	105.0	110.1
Frozen	57.2	57.6	66.5	75.8	87.9	94.2
Average	64.2	63.9	74.4	80.0	90.5	96.9
Average for total fillets	55.0	59.8	78.4	89.8	96.7	102.7
Average for grand total, whole and filleted groundfish	55.6	60.1	78.4	90.2	96.9	102.3

1/ Quantity as reported by the U.S. Department of Commerce converted to fillet weight using a factor of 30 percent.

2/ As reported to the U.S. Department of Commerce.

3/ Whole fish value, as reported by the U.S. Department of Commerce, divided by fillet weight.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

As shown in the following tabulation, the groundfish subject to countervailing duty waivers and which are the only articles under investigation at this time, accounted for less than half of the imports from Canada found in Treasury's three investigations of fish from Canada to benefit from Canadian bounties and grants. The bulk of the imports were duty free and were referred to the U.S. International Trade Commission for injury determinations in 1978 and 1979. The Commission found that such duty-free imports were not injurious to the domestic industry.

U.S. imports of fish products from Canada found by the Department of the Treasury to be subject to Canadian bounties and grants, 1975-78, January-September 1978, and January-September 1979

Period	Subject to countervailing duty waivers 1/	Other subsidized imports from Canada 2/	Total	Ratio to the total of those subject to countervailing duty waivers
	1,000 pounds product weight			Percent
1975	102,949	128,615	231,564	44.4
1976	95,027	154,807	249,834	38.0
1977	83,009	179,312	262,321	31.6
1978	105,342	189,526	294,826	35.7
Jan.-Sept				
1978	79,308	149,430	228,788	34.7
1979	94,989	148,024	243,013	39.1

1/ These dutiable fish are the subject of this investigation.

2/ These duty-free fish were the subject of Commission investigations Nos. 303-TA-3 and 303-TA-9. The Commission determined that these imports were not injurious to the domestic industry.

Source: Compiled from official statistics of the U.S. Department of Commerce.

It should be noted that imports of fish from Canada found to be subject to countervailing duty waivers and which are the subject of this investigation account for an extremely small proportion of U.S. imports of edible fish products. As shown in the following tabulation, U.S. imports of the fish products under investigation accounted for about 2 percent of total U.S. imports of edible fish products each year during the period 1975-78.

U.S. imports of edible fishery products from all sources and U.S imports of fish products from Canada subject to countervailing duty waivers, 1975-78

Year	U.S. imports of edible fishery products from all sources	U.S. imports of fish products from Canada that are subject to countervailing duty waivers	Ratio of total imports subject to countervailing duty waivers to total U.S. imports of edible fishery products
	---Million pounds, round weight----		----Percent----
1975	3,929	103	2.6
1976	4,629	95	2.1
1977	4,514	83	1.8
1978	4,958	105	2.1

Source: Compiled from official statistics of the U.S. Department of Commerce.

The Question of Causation of Material Injury or the Likelihood Thereof

U.S. consumption and U.S. market penetration by subsidized imports subject to countervailing duty waivers

The U.S. market for whole groundfish of the types subject to countervailing duty waivers rose from 236 million pounds in 1975 to 271 million pounds in 1979, an increase of 15 percent. The ratio of imports to consumption for such whole groundfish increased irregularly from 6.2 percent in 1974 to 8.3 percent in 1979, while the ratio of imports from Canada to apparent consumption ranged between 1 and 2 percent each year during 1974-78 before rising to 3.5 percent in 1979, as shown in table 14.

U.S. consumption of filleted groundfish of the species subject to countervailing duty waivers increased from 211 million pounds in 1974 to 326 million pounds in 1979, or by 55 percent. During this period, as shown in table 15, U.S. imports from all sources accounted for a relatively stable 77-83 percent of consumption while imports of subsidized groundfish from Canada accounted for 28-40 percent of consumption.

As shown in table 16, U.S. apparent consumption of all of the whole or filleted species of groundfish covered by this investigation increased from 352 million pounds in 1974 to 490 million pounds in 1979, while imports of subsidized fish products from Canada fell from 24 percent of consumption in 1975 to 18 percent in 1977, and rose again to 24 percent in 1979. Imports from all sources accounted for 71-76 percent of domestic consumption throughout the period.

Tables J-15 through J-17 show that import penetration is somewhat lower in the eastern United States for whole fish than in the U.S. market as a whole, but that import penetration trends and ratios for the other product groups covered herein are similar for the eastern U.S. market as those for the United States market as a whole.

Table 14.--Whole groundfish of species subject to countervailing duty waivers: U.S. landings, U.S. imports for consumption and apparent consumption, 1974-79

Year	U.S. landings	U.S. imports from--			Apparent U.S. consumption	Ratio to apparent U.S. consumption of imports from--		
		Canada	All other sources	All sources		Canada	All other sources	All sources
	1,000 pounds, round weight					Percent		
1974	222,768	2,885	11,798	14,683	237,451	1.2	5.0	6.2
1975	219,080	3,781	12,961	16,742	235,822	1.6	5.5	7.1
1976	234,336	3,765	13,395	17,160	251,496	1.5	5.3	6.8
1977	236,803	3,679	10,786	14,465	251,268	1.5	4.3	5.8
1978	255,198	4,390	16,147	20,537	275,735	1.6	5.8	7.4
1979	249,000	9,482	12,933	22,415	271,415	3.5	4.8	8.3

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 15.--Filleted groundfish of species subject to countervailing duty waivers: U.S. production, imports for consumption and apparent U.S. consumption, 1974-79

Year	U.S. production	U.S. imports from--			Apparent U.S. consumption	Ratio to apparent U.S. consumption of imports from--		
		Canada	All other sources	All sources		Canada	All other sources	All sources
	1,000 pounds, fillet weight					Percent		
1974	45,606	81,175	84,177	165,352	210,958	38.5	39.9	78.4
1975	45,582	96,835	103,521	200,356	245,938	39.4	42.1	81.5
1976	46,532	91,262	137,025	228,287	274,819	33.2	49.9	83.1
1977	59,520	79,333	138,089	217,422	276,942	28.6	49.9	78.5
1978	68,466	100,959	132,147	233,106	301,572	33.5	43.8	77.3
1979	73,290	112,386	140,570	252,956	326,246	34.4	43.1	77.5

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--U.S. production of whole fish converted to filleted fish by using a conversion factor of 30 percent.

Table 16.--Whole and filleted groundfish of species subject to countervailing duty waivers: U.S. production, imports for consumption, and apparent U.S. consumption, 1974-79

Year	U.S. production	U.S. imports 1/					Apparent U.S. consumption	Ratio to apparent consumption of imports from--				
		From Canada			From all others sources	From all sources		Canada of--			All other sources	All sources
		Groundfish subject to this investigation	Other 2/	Total 2/				Groundfish subject to this investigation	Other imports	All imports		
	1,000 pounds, fillet weight							Percent				
1974	99,990	82,041	43,231	125,272	127,204	252,476	352,466	23.3	12.3	35.5	36.1	71.6
1975	101,686	97,969	46,370	144,339	164,813	309,152	410,838	23.8	11.2	35.1	40.1	75.2
1976	107,190	92,392	51,726	144,118	195,702	339,820	447,010	20.7	11.6	32.2	43.8	76.0
1977	120,054	80,437	54,287	134,724	187,830	322,554	442,608	18.2	12.3	30.4	42.4	72.9
1978	134,357	102,276	55,136	157,412	180,738	338,150	472,507	21.6	11.7	33.3	38.3	71.6
1979	138,090	115,231	52,316	167,547	184,067	351,614	489,704	23.5	10.7	34.2	37.6	71.8

1/ Consists of Atlantic ocean perch, cod, cusk, haddock, hake, pollock, wolf fish, and flatfish, except halibut. Does not include fillets of whiting, which are not separately classified.

2/ Consists of whole cod, cusk, haddock, hake, and pollock and fillets of wolf fish and flatfish, except halibut. Does not include fillets of whiting, which are not separately classified.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--U.S. production and imports of whole fish converted from round weight to fillet weight using a factor of 30 percent.

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For the whole fish under consideration in this investigation, most of the flatfish in 1978 were marketed as fillets; of these fillets, about 85 percent were sold fresh. Nearly all of the domestically produced whole fish under consideration in this investigation that are sold to the retail consumer in whole form are sold fresh, except in inland markets. The vast bulk of the whole fish under consideration imported from Canada are believed to be fresh.

The following tabulation, which covers the year 1978, breaks down domestic production and imports from Canada of the principal fillets under consideration into the portions of each that were, "fresh or chilled", and that were "frozen".

Type of fillet	U.S. production (col. 1)	U.S. imports from Canada (col.2)	Total, col. 1 plus col. 2 (col. 3)	Ratio of col. 2 to col.3 (col.4)
	----1,000 pounds, fillet weight----			--Percent--
Cod:				
Fresh or chilled	20,623	3,896	24,519	15.9
Frozen	6,565	35,457	42,022	84.4
Total	27,188	39,353	66,541	59.1
Cusk, haddock, hake, and pollock:				
Fresh or chilled	24,231	2,994	27,225	11.0
Frozen	5,027	16,290	21,317	76.4
Total	29,258	19,284	48,542	39.7
Total:				
Fresh or chilled	44,854	6,890	51,744	13.3
Frozen	11,592	51,733	63,325	81.7
Total	56,446	58,623	115,069	50.9

Source: Complied from official statistics of the U.S. Department of Commerce.

Prices

Prices of domestic and imported groundfish have generally risen in recent years. A combination of increased demand, brought about by changing dietary habits, and sharply escalating fishing costs account for the increases. During 1979, according to the few questionnaire responses received by the Commission in Inv. No. TA-201-41, U.S. fishermen were faced with sharp increases in the costs of diesel fuel, ice, and food provisions for fishing trips. It is believed that Canadian fishermen have experienced similar cost increases.

Although prices of all groundfish have generally risen, the rate of increase has varied greatly, depending upon the products and markets being

considered. This is particularly true of the prices received by U.S. fishermen. On the West Coast where fishermen's associations negotiate prices with processors, prices of most groundfish have climbed sharply in recent years. However, on the East Coast where prices are determined at auctions, and thus, are subject to the uncertainties of short-term market forces, price trends have been mixed.

East coast prices.--On the east coast, the price received by fishermen (known as the ex-vessel price), for raw whole groundfish is based on auctions held Monday through Friday at Boston and New Bedford, Mass. The New Bedford auction tends to set the price for flounder and other flatfish, and the Boston auction tends to set the price for other groundfish, including cod. 1/ Fish landed at other ports, as well as fresh imported fish, are sold at prices based on the Boston and New Bedford prices. A large proportion of the fish are sold through commission dealers, who sell the fish on behalf of the boat owners. The reported Boston and New Bedford auction prices may be higher than the prices actually paid by purchasers, because the dealers make deductions from the auction prices for ice and water.

While only fish landed by fishing vessels are sold at auction, the Boston auction price is heavily affected by the volume of raw fish entering the port by truck. Annual fishing vessel landings at Boston amount to about 20 million pounds (27 million pounds in 1979), compared to an estimated 50 million to 60 million pounds arriving by truck. While there is no official record of the quantity of Canadian imports arriving at Boston, Government authorities believe that about half of the fish that enters Boston by truck is from Canada; the remainder is from other New England fishing ports. The shipments of both imported and domestic fresh fish to New Bedford by truck are known to affect the auction price there also.

Price trends for East Coast groundfish are difficult to analyze because of seasonal factors and the impact of storms. It is apparent from tables 17 through 20 that prices are typically lower during the summer when landings are at peak levels than they are during the less productive winter months. However, these patterns are often disrupted by sharp, temporary upsurges in prices when landings are curtailed by storms. 2/

1/ Available evidence from regression studies suggests that the demand for groundfish in New England markets is highly sensitive to small changes in prices. In a 1968 study by Frederick W. Bell, estimates of price elasticities of demand for several classes of groundfish, including cod, haddock, and yellowtail flounder, generally ranged from about -2.0 to -3.0. The demand for groundfish was also found to be highly sensitive to changes in prices of substitute products such as meat and poultry. The results of this study are summarized in Frederick W. Bell, Food From the Sea: The Economics and Politics of Ocean Fisheries, Westview Press, Boulder, Colo., 1968. The data obtained in the ITC investigation were not adequate for attempting to update the price elasticity estimates developed by Bell.

2/ The monthly price fluctuations that are apparent from an examination of tables 17 through 20 are mild when compared with daily fluctuations during a given week. For example, during the week of February 15, 1980, haddock prices rose from 50 cents per pound to 94 cents per pound in the Boston market, and then opened at 60 cents per pound in the following week (figures 3, 4, and 5).

Between January 1976 and January 1979, the east coast price of ocean perch rose by 70 percent from 12.1 to 20.6 cents per pound and the price of yellowtail flounder increased by 33 percent from 49.2 to 65.5 cents per pound. By comparison, the BLS index of meat, fish and poultry prices rose by only 26 percent during this period. On the other hand the East Coast prices of cod remained unchanged while the prices of haddock declined by 20 percent.

Table 17.--Ocean perch: Ex-vessel average weighted price paid for ocean perch at major New England ports, by months, Jan. 1974 through Dec. 1979

(Cents per pound)

Period or month	1974	1975	1976	1977	1978	1979
January	9.9	8.7	12.1	15.3	16.6	20.6
February	9.4	9.2	12.2	15.5	17.1	24.4
March	9.5	10.5	13.6	15.3	18.0	22.3
April	8.7	10.4	13.6	16.2	16.7	21.5
May	7.9	9.9	13.8	15.0	16.8	19.3
June	7.8	10.3	13.0	15.3	15.8	16.4
July	7.2	10.1	13.8	14.0	16.6	20.4
August	7.2	10.6	14.2	15.2	17.0	20.7
September	7.4	11.0	14.1	15.2	17.0	21.2
October	7.8	11.6	14.2	15.6	18.0	21.4
November	8.1	11.8	15.2	15.5	18.6	21.1
December	8.0	11.9	28.5	15.9	19.4	23.7

Source: Food Fish Market Review, September 1978, U.S. Department of Commerce, National Fisheries Service; updated by author.

Table 18.--Haddock: Ex-vessel average weighted price paid for haddock at major New England ports, by months, Jan. 1974 through Dec. 1979

(Cents per pound)

Period	1974	1975	1976	1977	1978	1979
January	35.2	30.3	56.6	42.5	38.4	45.0
February	44.0	38.9	44.0	36.0	27.5	10.2
March	35.7	43.6	42.9	43.6	41.8	42.3
April	51.0	39.8	48.4	38.6	32.0	36.1
May	36.8	21.4	40.0	28.9	27.1	34.0
June	33.4	29.3	42.7	27.9	23.1	31.5
July	28.9	43.9	46.4	25.4	31.8	41.8
August	39.7	30.5	44.1	31.0	32.4	38.7
September	41.1	35.2	41.3	33.5	36.4	43.1
October	41.9	38.0	44.4	31.6	34.6	49.7
November	42.7	34.2	45.0	29.6	33.8	44.6
December	37.6	47.4	49.1	34.7	60.8	62.8

Source: Food Fish Market Review, September 1978, U.S. Department of Commerce, National Marine Fisheries Service; updated by author.

Table 19.--Cod: Ex-vessel average weighted price paid for cod at major New England ports, by months, Jan. 1974 through Dec. 1979

(Cents per pound)

Month	1974	1975	1976	1977	1978	1979
January	23.8	26.2	39.2	32.8	30.1	39.5
February	24.8	25.5	38.9	31.5	32.3	55.4
March	28.0	33.6	38.8	29.3	35.6	33.5
April	25.7	26.8	32.2	22.3	21.0	27.8
May	16.8	17.3	20.6	16.0	17.8	21.4
June	15.7	22.2	19.8	15.1	17.4	21.5
July	14.9	22.5	22.5	18.3	27.6	26.9
August	20.2	23.4	24.2	22.4	28.0	28.3
September	21.3	26.3	26.5	31.7	24.9	30.5
October	18.3	24.7	33.0	32.8	24.0	35.2
November	24.1	26.5	32.0	26.1	28.3	24.1
December	24.9	30.7	28.5	28.2	44.3	47.2

Source: Food Fish Market Review, September 1978, U.S. Department of Commerce, National Fisheries Service; updated by author.

Table 20.--Yellowtail Flounder: Ex-vessel average weighted price paid for yellowtail flounder at major New England ports, by months, Jan. 1974 through Dec. 1979

(Cents per pound)

Month	1974	1975	1976	1977	1978	1979
January	28.2	39.6	49.2	53.7	68.4	65.5
February	33.8	42.4	61.0	55.0	60.2	91.0
March	38.9	47.8	59.1	51.9	74.4	51.7
April	38.2	40.0	41.1	43.8	50.7	42.1
May	22.1	28.0	37.7	40.0	49.0	33.3
June	18.4	31.1	42.3	43.0	48.7	43.2
July	18.1	27.7	35.7	44.0	63.2	49.7
August	18.0	24.4	36.0	42.5	54.0	56.6
September	21.3	37.6	24.0	45.4	78.2	53.8
October	24.0	38.6	48.8	50.3	76.2	48.0
November	33.1	39.3	42.0	52.3	52.6	35.2
December	21.3	49.4	47.9	49.2	61.5	40.8

Source: Food Fish Market Review, September 1978, U.S. Department of Commerce, National Marine Fisheries Service; updated by author.

Figure 3.

National Marine Fisheries Service
Market News Branch

3.
Boston, Mass.
Feb. 15, 1980

FISHERY MARKET NEWS REPORT B-20 Continued)

FRESH FISH SUMMARY WEEK ENDING FEBRUARY 15, 1980

A weekly summary of fresh fishery products, landings and prices published in the Boston Report this week. Also, receipts and prices of selected fresh fresh-water fish at Chicago. * Means less than 500 pounds.

	Hadd	Cod	Cusk	Hake	Poll	Oen Perch	B & DB	B LemS	Dabs	GrySole	Flke	Y T	Mixd Fldr	Whit Rnd	Scal	Mixd	Total
BOSTON:								(1,000 Lbs.)									
Monday.....	26	49	*	*	12	2	2	-	2	1	-	-	2	-	-	1	97
Tuesday.....	23	26	*	1	*	4	3	-	2	-	-	-	-	-	-	-	59
Wednesday...	28	68	-	-	4	*	1	2	1	-	-	-	1	-	-	4	109
Thursday....	13	34	1	1	14	5	1	-	-	-	-	*	-	-	-	1	70
Friday.....	14	21	*	*	19	-	-	-	-	-	-	1	1	-	-	1	57
Total...	104	198	1	2	40	11	7	2	5	1	-	1	4	-	-	7	392
NEW BEDFORD:																	
Monday.....	100	142	-	-	1	-	1	18	1	-	-	70	*	-	53	-	386
Tuesday.....	41	132	-	-	6	-	2	17	2	1	-	71	2	-	19	-	293
Wednesday...	22	156	-	-	4	-	6	16	-	-	-	62	8	-	27	-	301
Thursday....	36	147	-	-	2	-	1	27	*	-	-	44	4	-	46	-	307
Friday.....	132	158	-	-	4	-	3	14	5	-	-	60	2	-	15	*	393
Total...	331	735	-	-	17	-	13	92	8	1	-	307	16	-	160	*	1,680
GLOUCESTER:																	
Monday.....	68	136	-	-	41	-	-	-	-	-	-	-	41	-	-	157	443
Tuesday.....	10	32	-	-	1	17	-	-	-	-	-	-	40	-	-	136	236
Wednesday...	13	26	-	-	11	8	-	-	-	-	-	-	6	-	-	49	113
Thursday....	24	39	-	-	12	-	-	-	-	-	-	-	22	-	-	24	121
Friday.....	28	47	5	-	9	-	-	-	-	-	-	-	44	-	-	87	220
Total...	143	280	5	-	74	25	-	-	-	-	-	-	153	-	-	453	1,133
Following ports Mon.-Fri.:																	
PROVINCETOWN:	*	98	-	-	14	-	10	-	5	*	-	91	13	-	5	36	272
PT. JUDITH..	*	20	-	*	*	-	63	-	-	1	12	205	33	4	-	1000	1,338
NEWPORT.....	21	54	-	-	3	-	24	-	*	2	2	172	11	1	-	22	332
PORTLAND....	27	47	5	6	43	94	-	-	-	-	-	-	132	-	5	129	488
ROCKLAND....	5	-	-	-	20	100	-	-	-	-	-	-	72	-	-	44	241
WEEK TOTAL..	631	1432	11	8	220	230	117	94	18	5	14	796	434	5	170	1641	5,976
TOTAL								(IN MILLIONS OF POUNDS)									
TO DATE '80.	3.4	3.5	0.1	0.1	1.7	0.9	0.6	0.4	0.1	-	0.1	4.6	2.1	1.1	0.9	4.3	27.1
TO DATE '79.	2.3	3.6	-	0.1	1.1	2.3	0.5	0.3	0.1	-	0.1	2.4	1.3	1.2	0.8	5.0	21.1

EX-VESSEL PRICES IN $/CWT.

BOSTON	Hadd	HSrd	LCod	MCod	CSrd	Cusk	Hake	Poll	OPch	B	B LemS &	B	B Dabs	GrySole	Y T	Scallops
Monday.....	50	50	40	40	40	35	70	30	55	50	-		40	60	40	-
Tuesday....	50	50	40	40	40	35	70	30	55	41	--		40	-	-	-
Wednesday..	50	50	36	36	37	-	-	30	55	40	40		40	-	40	-
	51	51	40													
Thursday...	64	64	40	41	40	40	65	30	50	40	-		-	-	40	-
Friday....	94	94	50	50	50	55	75	46	-	-	-		50	-	50	-
NEW BEDFORD:																
Monday.....	48	48	35	35	35	-	-	15	-	20	70	60	40	-	45	$412.00-
	4810	4810	3810	3810	3810					30	7010	70	5010		4730	412.10
Tuesday....	50	50	30	35	35	-	-	15	-	30	40	30	30	30	40	$415.00-
	6010	6010	3010					20		40	7010	70	40	5010	5810	415.10
Wednesday..	45	45	30	35	35	-	-	25	-	40	50	40	-	-	35	$420.00
	4510	4510						2510		5010	80	80			4510	420.10
Thursday...	55	55	35	45	45	-	-	15	-	50	50	40	40	-	5010	$400.00-
	5810	5810	3510	4510				30		60	8010	80	5010		6510	400.10
Friday.....	60	60	30	50	40	-	-	20	-	40	40	30	30	-	5010	$421.00-
	6010	6010	3010	4010	4010					50	70	70	50		6510	421.10

GLOUCESTER: No Prices Reported.

OTHER PRICES: Prices reported in mixed at Boston and New Bedford.

BOSTON: Wolffish $27.00-46.00

NEW BEDFORD: Whale Cod $20.00-30.10, Sand Dabs 12.00-20.10, Wolffish $10.00

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Figure 4

National Marine Fisheries Service
Market News Branch

Boston, Mass.
Feb. 22, 1980

FISHERY MARKET NEWS REPORT B-23 (Continued)

FRESH FISH SUMMARY WEEK ENDING FEBRUARY 22, 1980

A weekly summary of fresh fishery products, landings and prices published in the Boston Report this week. Also, receipts and prices of selected fresh fresh-water fish at Chicago. * Means less than 500 pounds.

	Hadd	Cod	Cusk	Hake	Poll	Ocn Perch	B B	Lem S & BB	Dabs	GryS	Flke	Y T	Mixd Fldr	Whit Rnd	Scal	Mixd	Total
BOSTON:	(1,000 Lbs.)																
Monday.....	H O L I D A Y																
Tuesday.....	64	119	4	1	67	23	2	3	14	4	-	1	-	-	-	1	303
Wednesday...	-	-	-	-	-	4	-	-	7	1	-	-	-	-	-	-	12
Thursday....	21	71	*	3	13	1	-	-	1	1	-	-	7	-	-	1	119
Friday.....	20	15	*	5	6	3	-	*	3	*	-	-	1	-	-	2	55
Total...	105	205	4	9	86	31	2	3	25	6	-	1	8	-	-	4	489
NEW BEDFORD:																	
Monday.....	H O L I D A Y																
Tuesday.....	106	196	-	-	4	-	2	29	2	-	-	110	6	-	70	1	526
Wednesday...	66	154	-	-	2	-	*	14	*	-	-	49	3	-	15	-	303
Thursday....	109	194	-	-	5	-	-	27	5	-	-	35	1	-	16	-	392
Friday.....	115	244	-	-	16	-	2	38	7	*	-	101	10	-	70	-	603
Total...	396	788	-	-	27	-	4	108	14	*	-	295	20	-	171	1	1,824
GLOUCESTER:																	
Monday.....	H O L I D A Y																
Tuesday.....	124	155	-	-	91	85	-	-	-	-	-	-	78	-	-	122	655
Wednesday...	47	61	-	-	1	12	-	-	-	-	-	-	9	-	-	35	165
Thursday....	11	21	-	-	5	-	-	-	-	-	-	-	18	-	-	56	111
Friday.....	41	91	-	-	8	12	-	-	-	-	-	-	44	-	-	103	299
Total...	223	328	-	-	105	109	-	-	-	-	-	-	149	-	-	316	1,230
Following ports Mon.-Fri.:																	
PROVINCETOWN	7	46	-	-	33	-	13	-	5	2	-	131	9	*	4	85	335
PT. JUDITH..	*	7	-	1	*	-	20	-	-	*	20	82	13	*	-	206	349
NEWPORT.....	14	44	-	-	3	-	23	-	1	1	11	203	15	-	1	17	333
PORTLAND....	16	24	4	4	119	13	-	-	-	-	-	-	85	-	1	10	276
ROCKLAND....	30	-	-	-	128	150	-	-	-	-	-	-	106	-	1	67	482
WEEK TOTAL..	791	1442	8	14	501	303	62	111	45	9	31	721	405	*	178	706	5,318
TOTAL	(IN MILLIONS OF POUNDS).																
TO DATE '80.	4.2	8.0	0.1	0.1	2.2	1.3	0.9	0.5	0.1	-	0.1	5.3	2.5	1.1	1.0	5.0	32.4
TO DATE '79.	2.7	4.1	0.1	0.1	1.2	2.8	0.5	0.3	0.1	-	0.2	2.7	1.6	1.2	0.9	5.6	24.1

EX-VESSEL PRICES IN $/CWT.

BOSTON:	Hadd	HSrd	LCod	MCod	CSrd	Cusk	Hake	Poll	OPch	B	D	LemS & D	B	Dabs	GryS	Y	T	Scallops
Monday.....	H O L I D A Y																	
Tuesday.....	60	60	40	40	40	30	50	25	40	40		40		55	65	50	-	
Wednesday...	-	-	-	-	-	-	-	-	4750	-		-		30 60	70	-	-	
Thursday....	75	75	44	60	56	50	60	37	51	60		-		60	70	60	-	
Friday.....	70	70	52	56	51	40	70	25 32	51	-		101		60	-	30	-	
NEW BEDFORD:																		
Monday.....	H O L I D A Y																	
Tuesday.....	50 55	50 55	35 3510	35 3510	35 3510	-	-	20	-	30 50	50 60	40 60		40 50	-	40 5520	$410.00- 410.10	
Wednesday...	6010 85	6010 85	35 50	45 50	45 50	-	-	25	-	40 5010	50 8010	40 80		30 50	-	6310 8010	$410.00	
Thursday....	50 5010	50 5010	35	45 4510	45 4510	-	-	25	-	-	70 7010	60 70		40 5010	-	50 7010	$405.10	
Friday.....	50 5010	50 5010	35 3510	45 5510	45 5510	-	-	25 2510	-	40 5510	50 60	40 60		40 5010	40 50	50 6510	$405.00- 405.20	

GLOUCESTER: No Prices Reported.

OTHER PRICES: Prices reported in mixed at Boston and New Bedford.
BOSTON: Wolffish $20.00-42.00
NEW BEDFORD: Whole Cod $25.00-25.10, Sand Dabs 12.00-30.10, Wolffish 10.00

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Figure 5

National Marine Fisheries Service
Market News Branch

Boston, Mass.
Feb. 29, 1980

FISHERY MARKET NEWS REPORT B-26 (Continued)

FRESH FISH SUMMARY WEEK ENDING FEBRUARY 23, 1980

A weekly summary of fresh fishery products, landings and prices published in the Boston Report this week. Also, receipts and prices of selected fresh - fresh-water fish at Chicago. • Means less than 500 pounds.

	Hadd	Cod	Cusk	Hake	Poll	Gen Perch	B	B LemS & DS	Dabs	GrySole	Flke Y	T Mixd Fldr	Whit Rnd	Scal Mixt	Total
BOSTON:								(1,000 Lbs.)							
Monday.....	89	194	•	1	12	8	12	-	1	•	-	10	10	-	-	1	330
Tuesday.....	22	79	-	-	16	3	-	2	•	•	-	1	1	-	-	2	126
Wednesday...	22	56	-	-	4	-	-	-	1	-	-	-	4	-	-	4	91
Thursday....	29	23	•	1	12	5	1	-	-	-	-	1	-	-	-	•	72
Friday.....	8	17	-	-	•	•	1	-	-	-	-	-	1	-	-	-	27
Total...	170	369	•	2	44	16	14	2	2	•	-	12	16	-	-	7	656
NEW BEDFORD:															
Monday.....	90	236	-	-	11	-	1	24	•	-	-	56	2	-	47	-	467
Tuesday.....	65	163	-	-	1	-	3	37	2	•	-	78	5	-	34	-	368
Wednesday...	78	217	-	-	6	-	1	21	3	•	-	67	9	-	34	-	436
Thursday....	67	85	-	-	3	-	-	12	3	-	-	35	1	-	45	-	251
Friday.....	72	98	-	-	3	-	1	7	2	1	-	37	1	-	24	-	246
Total...	372	799	-	-	24	-	6	101	10	1	-	273	18	-	184	-	1,788
GLOUCESTER:															
Monday.....	40	63	-	-	50	24	-	-	-	-	-	-	27	-	-	121	326
Tuesday.....	6	26	-	-	-	30	-	-	-	-	-	-	34	-	-	105	291
Wednesday...	76	83	-	-	6	-	-	-	-	-	-	-	5	-	-	96	266
Thursday....	23	26	-	-	1	5	-	-	-	-	-	-	2	-	-	20	77
Friday.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35	35
Total...	148	198	-	-	57	59	-	-	-	-	-	-	68	-	-	467	997
Following ports Mon.-Fri.:															
PROVINCETOWN	5	79	•	•	10	•	7	-	6	•	-	129	29	-	3	78	346
PT. JUDITH..	•	10	-	3	1	-	15	-	•	1	41	107	18	3	-	431	630
NEWPORT....	16	81	-	•	3	-	18	-	•	1	25	203	18	-	-	50	415
PORTLAND....	13	22	1	2	114	108	-	-	-	-	-	-	40	-	19	28	347
ROCKLAND....	-	-	-	-	25	50	-	-	-	-	-	-	30	-	4	20	137
WEEK TOTAL..	724	1558	1	7	278	233	60	103	18	3	66	724	237	3	210	1089	5,314
TOTAL								(IN MILLIONS OF POUNDS)							
TO DATE '80.	5.0	9.6	0.1	0.1	2.5	1.5	0.9	0.6	0.2	-	0.2	6.0	2.7	1.1	1.2	6.1	37.0
TO DATE '79.	3.1	4.7	0.1	0.1	1.3	3.4	0.6	0.4	0.1	-	0.2	3.2	1.8	1.2	1.0	6.4	27.6

EX-VESSEL PRICES IN $/CWT.

BOSTON:	Hadd	HGrd	LCod	HCod	CGrd	Cusk	Hake	Poll	OPch	B	B	LemS & DS	B	Dabs	GrySole	Y	T	Scallops
Monday.....	65	65 70	40	40	40	55	60	25 50	50	45				45 60	No Sale		45	-
Tuesday.....	65	68	40	40	40	-	-	40	48	-		45		51 60	No Sale		50 51	-
Wednesday...	65	-	40	40	40	-	-	40	-	45		-		50	-		45	-
Thursday....	58	55	40	40	40	50	90	30	50	40		-		-	-		50	-
Friday.....	58	58	47	45	45	-	-	30	34	50		-		-	-		50	-
NEW BEDFORD:																		
Monday.....	5010 7010	5010 7010	40 4010	40 4010	40 4010	-	-	20 2010	-	40 5010	50 6010		40 60	30 50	-		6010 7010	450.00- 470.10
Tuesday.....	50 5010	50 5010	35 4010	40 45	40 45	-	-	20	-	30 50	6010 7010		50 70	40 50	70 115		6010 7010	487.00- 493.10
Wednesday...	50 5010	50 5010	30 4010	40 4010	40 4010	-	-	20 2010	-	30 5010	60 7010		50 70	40 50	50 60		5010 7010	450.00- 470.10
Thursday....	40 48	40 46	30	35 40	35 40	-	-	20	-	-	70		60 70	40 3010	-		5010 7010	302.00- 342.10
Friday.....	5010 5110	5010 5110	3810 3810	4010 4510	40 4510	-	-	25 2530	-	50 6010	7010		60 70	40 50	40 50		7210 7510	330.00- 390.10

GLOUCESTER: No Prices Reported.

OTHER PRICES: Prices reported in mixed at Boston and New Bedford.
BOSTON: Wolffish $30.00-34.00
NEW BEDFORD: Whole Cod $20.00-30.10; Small Dabs 12.50-25.10

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During a shorter, more recent period, these patterns are significantly altered. Between October 1978 and October 1979, east coast prices of cod, ocean perch, and haddock all increased significantly while the price of yellowtail flounder dropped sharply from 76 to 48 cents per pound. However, flounder prices during September and October of 1978 were well above the levels prevailing in the months immediately preceding and immediately following this period. This was probably a result of storms or other temporary factors which created shortages during the third quarter of 1978. Thus, a direct comparison of October prices for yellowtail flounder for 1978 and 1979 may overstate the extent of the decline.

In the market place, imported fresh groundfish fillets compete directly with domestic groundfish fillets which, in turn, are processed from domestic landings. However, there appears to be no evidence that the prices of imported groundfish fillets have paralleled ex-vessel prices for east coast groundfish landings during the period under review. As shown in table 21, prices paid by importers for Canadian cod, ocean perch, and flatfish, moved steadily upward from the first quarter of 1976 through the third quarter of 1979. The largest increase recorded was for flounder, which rose by *** percent from *** per pound to *** per pound during the 3-1/2 year period.

The United States does not have a substantial frozen fillet industry. Instead frozen fillets are produced as a by-product by processors when fresh fish prices are at depressed levels. However, it is believed that imported frozen fillets do compete, to some extent, with U.S. produced fresh fillets.

Table 21.--Fresh groundfish fillets: Weighted average prices paid by importers 1/ for selected types of fresh groundfish fillets from Canada, by quarters, 1976 through third quarter of 1979

(Per pound)

Period	Price		
	Cod	Ocean perch	Flounder
1976:			
January-March	***	***	***
April-June	***	***	***
July-September	***	***	***
October-December	***	***	***
1977:			
January-March	***	***	***
April-June	***	***	***
July-September	***	***	***
October-December	***	***	***
1978:			
January-March	***	***	***
April-June	***	***	***
July-September	***	***	***
October-December	***	***	***
1979:			
January-March	***	***	***
April-June	***	***	***
July-September	***	***	***

1/ This table was derived from two importers of groundfish fillets, ***. The prices are believed to be representative of the various products.

2/ Denotes one price reported.

Source: Compiled from responses to questionnaires of the U.S. International Trade Commission submitted in connection with ITC investigation No. TA-201-41.

Import price data for frozen fillets of cod, haddock, pollock, ocean perch, flatfish, rockfish, and whiting are presented in table 22 for the first quarter of 1976 through the third quarter of 1979. Although rates of increase vary, depending upon the species being considered, prices of all classes of imported frozen fillets have risen during this period. The largest increase was recorded for Atlantic pollock, which rose by 79 percent from 48 cents per pound to 86 cents per pound during the 3-1/2 year span. The data indicate that imported frozen fillet prices have generally risen more rapidly than fresh fish prices on the East Coast.

West coast prices.--On the west coast, fresh fish prices are determined by contractual agreements between boat-owner associations and dealers or processors. Regional boat-owner associations in Washington, Oregon, and California negotiate ex-vessel fish prices for local areas separately. In Alaska, the few known full-time groundfish vessels are involved in a profit sharing arrangement with one processor--a corporation owned by many vessel owners, most of whom are interested in species other than groundfish. Boat owners not belonging to the associations receive the same prices as do association members.

Price increases for most varieties of fresh fish in west coast markets significantly outpaced the 26 percent increase in the Labor Department wholesale price index for meat, fish, and poultry between January 1976 and January 1979. The largest increase was recorded for dressed black cod (sable fish). During the three-year period, the price tripled, rising from 24 cents per pound to 75 cents per pound (table 23); the price was 60 cents per pound in April 1980. Of the items surveyed, only Alaska pollock (table 24) and English sole recorded price increases of less than 26 percent. However, no major additional upward adjustments in west coast prices have occurred within the past year.

Table 22.--Frozen groundfish fillets: Weighted average of prices paid by importers for selected varieties of frozen groundfish fillets, by quarters, 1976 through third quarter of 1979

(Per pound)

Period	Cod	Haddock	Pollock	Ocean perch	Whiting	Flatfish	Rockfish
1976:							
January-March	$0.954	$0.973	$0.480	***	$0.58	$1.101	***
April-June	.939	.963	.554	.843	-	1.101	***
July-September	.951	.944	.560	.876	***	1.114	***
October-December	.929	1.045	.562	.861	***	1.108	***
1977:							
January-March	1.064	1.099	.600	.824	***	1.146	-
April-June	1.076	1.097	.600	.873	***	1.154	***
July-September	1.148	1.443	.730	.876	***	1.195	-
October-December	1.128	1.210	.730	.914	***	1.193	-
1978:							
January-March	1.149	1.210	.759	.915	-	1.248	***
April-June	1.139	1.200	.794	.982	-	1.297	***
July-September	1.145	1.230	.810	.972	***	1.350	***
October-December	1.155	1.19	.810	.915	***	1.392	***
1979:							
January-March	1.221	1.310	.791	.996	***	1.345	-
April-June	1.282	1.350	.831	1.038	-	1.385	-
July-September	1.238	1.400	.860	1.088	-	1.536	-

1/ Denotes one price reported.

Source: Compiled from responses to questionnaires of the U.S. International Trade Commission submitted in connection with ITC investigation No. TA-201-41.

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Table 23.--Selected Pacific coast fish: Winchester Bay, Oregon to Monterey, California, inclusive prices negotiated between processors and the Fishermen's Marketing Association, of Eureka, California Inc., by types of fish and by dates of negotiation, August 21, 1975-May 1, 1979

(Per pound)

Pacific coast fish	Aug 21, 1975	Apr 4, 1975	Oct. 15, 1975	May 1, 1976	Oct. 15, 1976	May 1, 1977	Oct. 25, 1977	May 14, 1978	Oct. 25, 1978	May 1, 1979
Black cod (sable fish):										
Whole	$0.16	$0.16	$0.16	$0.185	$0.215	$0.24	$0.35	$0.45	$0.48	$0.48
Dressed	.24	.24	.24	.27	.32	.40	.55	.70	.75	.75
Petrale sole	.24	.24	.27	.28	.31	.33	.36	.38	.42	.46
Dover sole	.1225	.1175	.1375	.145	.175	.175	.2025	.2125	.21	.2175
English sole	.22	.22	.25	.25	.28	.32	.36	.38	.30	.30
Rockfish and ocean perch	.115	.115	.13	.14	.155	.155	.1725	.185	.20	.20

Source: Fishermen's Marketing Association, Inc., Eureka, California.

Table 24.--Selected Pacific coast fish: Washington prices negotiated between processors and the Fishermen's Marketing Association of Washington, Inc., by types of fish and by dates of negotiation, January 1, 1974-May 8, 1979

(Per pound)

Pacific coast fish	Jan. 1, 1974	Jan. 1, 1976	Nov. 11, 1976	Jan. 1, 1977	May 21, 1977	Oct. 16, 1977	May 5, 1978	Nov. 1, 1978	May 8, 1979
Cod:									
Whole	$0.115	$0.125	$0.138	$0.15	$0.16	$0.18	$0.1925	$0.20	$0.2150
Dressed	.21	.23	.253	.27	.27	.35	.40	.45	.43
Petrale sole	.21	.24	.264	.28	.29	.32	.36	.40	.44
Dover sole	.12	.13	.143	.15	.16	.175	.185	.20	.21
Rock cod (red)	.105	.115	.127	.135	.1425	.1625	.18	.20	.2150
Alaska Pollock	.08	.08	.08	.08	.08	.10	.10	.10	.10

Source: Fishermen's Marketing Association of Washington, Inc., Seattle, Washington.

Allegations of lost sales

At the Commission's public hearing 1/ in investigation No. TA-201-41, on November 13, 1979, a panel of fish processors from the State of Washington alleged that an undetermined number of their former customers for groundfish fillets had been lost to imports. Later, however, the processors informed the Commission's staff that their brokers decided not to allow the names of such customers to be revealed.

During the Commission's hearing on investigation No. 303-TA-3, one witness stated that he lost his market for frozen flounder fillets to imports from Canada. He closed his freezing plant in 1971, and has produced only fresh fillets since then. Most processors either have freezing equipment or they have access to it--such as in public cold storage warehouses. The filleting firms prefer to sell their output fresh partly to receive the best price and partly to move the product and receive payment. Some processors claim that on a given day the market may be filled with low-priced imports forcing the processor to have a lost sale as far as fresh fillets are concerned; he then freezes the fillets to keep from taking a total loss.

The New England fishermen say they have a loss-of-sale situation when they arrive in port and find that the price has dropped sharply over-night because of a sudden sizable volume of imports. The fisherman may then reject the prevailing auction price and hold his catch until the next auction.

In the survey by the U.S. Department of Labor in adjustment assistance cases, fish wholesalers served by the Provincetown area indicated that many had decreased purchases of domestically-caught fish. A number of these whole-salers purchased imported Canadian groundfish either directly or indirectly in 1977. The wholesalers also indicated that decreasing purchases of domestically-caught fish were, in large measure, due to the increased purchases of fresh and frozen Canadian fish by their customers--fishmarkets, supermarkets, and restaurants. The Labor Department's investigation revealed that many fish distributors and wholesalers use the imports of Canadian groundfish and flatfish as leverage in bidding down the ex-vessel prices paid to domestic fishermen for the same species of groundfish.

1/ Transcript of hearing, p. 167, U.S. International Trade Commission investigation No. TA-201-41.

Appendix A

Commerce's letter referring this investigation to the
U.S. International Trade Commission, received
January 7, 1980

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OFFICE OF THE SECRETARY
U.S. INTL. TRADE COMMISSION

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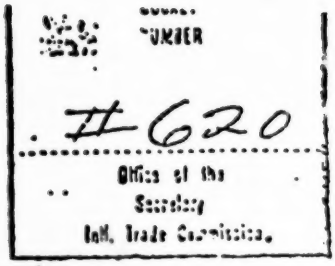

Dear Mr. Mason:

In accordance with the requirements of the Trade Agreements Act of 1979, the following countervail and antidumping cases are being referred to the Commission for a determination of injury or reasonable indication thereof. With regard to countervail investigations, only those cases involving products from countries which signed the Code at Geneva are being referred.

I. Countervailing Duty Cases in which the collection of duties was waived pursuant to the Trade Act of 1974 (5 cases):

Product	Country
Dairy Products (other than quota cheeses)	Member states of the European Communities
Canned Hams	Member states of the European Communities
Butter Cookies	Denmark
Fish	Canada
Leather Handbags	Brazil

II. Countervailing Duty Cases in which final affirmative determinations were issued between July 26 and December 31, 1979 (2 cases):

Product	Country
Tomato Products	Member states of the European Communities
Potato Starch	Member states of the European Communities

III. Countervailing Duty final affirmative determination with regard to frozen beef from member states of the European Communities (1 case).

IV. Countervailing Duty investigations in which a preliminary affirmative determination (but no final determination) has been issued (8 cases):

Product	Country
Corn Starch	Member states of the European Communities

Valves	Italy
Rayon Staple Fiber	Austria
Valves	Japan
Scales	Japan
Malleable Pipe Fittings	Japan
Firearms	Brazil
Ferroalloys	Brazil

V. Countervailing Duty Cases which have been initiated, but for which no preliminary or final determination has been issued (4 cases):

Product	Country
Frozen Potato Products	Canada
Roses	Netherlands
Glass Lined Steel Reactor Pressure Vessels	France
Chains and Parts	Japan

VI. Antidumping Cases for which there have been preliminary affirmative determinations, but no final determinations (3 cases):

Product	Country
Portable Typewriters	Japan
Melamine	Austria
Melamine	Italy

VII. Antidumping Cases which have been initiated, but for which no preliminary or final determinations have been issued (9 cases):

Product	Country
Sodium Hydroxide	United Kingdom
Sodium Hydroxide	West Germany
Sodium Hydroxide	Italy
Sodium Hydroxide	France
Rail Passenger Cars	Italy

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Rail Passenger Cars	Japan
Electric Motors	Japan
Microwave Ovens	Japan
Canned Clams	Canada

If you have any questions regarding any of these cases, please feel free to contact me or members of my staff at 566-2323.

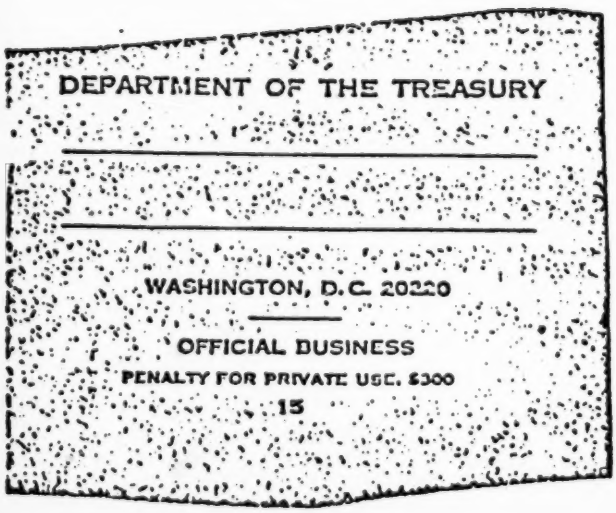
Regards,

Richard B. Self

Richard B. Self
Director, Office of Policy
Office of the Assistant Secretary
for Trade Administration

cc: Dave Binder

Mr. Kenneth R. Mason
Secretary to the Commission
U.S. International Trade Commission
Washington, D.C. 20436



Appendix B

Most Current Information Available with respect to Canadian bounties and grants, received by the U.S. International Trade Commission from the Department of Commerce on February 5, 1980

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UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

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OFFICE OF THE SECRETARY
U.S. INTL. TRADE COMMISSION

Mr. Kenneth Mason
Secretary to the Commission
U.S. International Trade Commission
Washington, D.C. 20436

Dear Mr. Mason:

By this letter the Department of Commerce transmits to the Commission the most current information available regarding subsidies bestowed upon butter cookies produced in Denmark, leather handbags from Brazil, groundfish from Canada, tomato products from the European Community, dextrines and soluble and chemically treated starches derived from potato starch from the European Community, and non-quota cheese from Norway.

The only benefits realized by producers of butter cookies are conferred by the European Communities in the form of export restitution payments made on the butter, egg, meal and sugar content of the cookies. For the month of December 1979, these payments were ECU 65.85 per 100 kilograms of cookies. This is approximately $0.427 per pound.

In the case of leather handbags from Brazil, benefits are conferred through the provision of loans at preferential rates and reductions in income tax on export earnings. The information received by this office indicates a bounty of one percent ad valorem of the import price for Brazilian handbags.

In the cases involving groundfish imported from Canada, benefits were granted under the following programs: (1) Federal Vessel Assistance Program; (2) grants by the Department of Regional Economic Expansion for water supply systems, wharf facilities, and fish processing plants; (3) Fishermen's Loan Act; (4) ship construction assistance; and (5) loans provided by the Nova Scotia and New Brunswick Fishermen's Loan Board. The benefits paid are valued at 1.08 percent ad valorem of the f.o.b. import price for fish harvested in the Atlantic region of Canada; benefits for fish harvested in the Pacific region of Canada have been determined to be de minimis in value.

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In the case regarding tomato products imported from the European Community, benefits were found in the form of processing subsidies. The value of these payments are currently determined to be $0.250 per pound for tomato concentrates and $0.104 per pound for peeled, canned tomatoes.

Dextrines and soluble and chemically treated starches derived from potato starch imported from the European Community receive export restitution payments, as well as production subsidies. These subsidies provide an overall benefit of $0.076 per pound for all EC exports of this merchandise. Furthermore, the Government of the Netherlands provides additional aid to its exporters of this merchandise in the form of investment assistance, which is equal to 1.6 percent ad valorem of the f.o.b. import value of the Dutch-produced goods.

In the correspondence of January 4, 1980, non-quota cheese from Norway was inadvertently omitted from the list of priority waiver cases. These cheeses benefit from a "basic subsidy" on the milk used in the production of cheese, and a "consumer subsidy" on the cheese itself. There are four types of cheese involved: Nokkelost with 45 percent dry matter, $0.612/lb; Nokkelost with 30 percent dry matter, $0.513/lb; Gammelost, $0.374/lb; and Gjetost, $0.612/lb.

I trust this information, along with that contained in the enclosed submissions from the EC, Denmark, Canada, Norway and Italy will suffice for your purposes. If you have any questions, please do not hesitate to contact me or my staff at 566-8585.

Sincerely,

Richard B. Self

Richard B. Self
Director
Office of Policy

6 Enclosures

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Appendix C

U.S. International Trade Commission's Notice of Investigation
and Hearing, effective February 5, 1980

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

Notice of Institution of Countervailing Duty Investigations
and Scheduling of Hearings in cases in which
Countervailing Duties have been waived
or published after July 26, 1979

AGENCY: United States International Trade Commission

ACTION: Institution of 30 countervailing duty investigations to determine whether with respect to the articles involved an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of subsidized imported merchandise.

EFFECTIVE DATE: February 5, 1980.

FOR FURTHER INFORMATION CONTACT: The senior/supervisory investigator assigned by the Commission to the particular investigation for which the information is sought. The assignments of senior/supervisory investigators and their telephone numbers at the Commission are designated below.

SUPPLEMENTARY INFORMATION: The Trade Agreements Act of 1979, section 104(a), requires the Commission to conduct countervailing duty investigations in cases where the Commission has received the most current net subsidy information pertaining to any countervailing duty order in effect on January 1, 1980, which had been waived pursuant to section 303(d) of the Tariff Act or on certain duties published after July 26, 1979. On February 5, 1980, the Commission received such information. Accordingly, the Commission hereby gives notice that it is instituting the following investigations pursuant to

section 705 of the Tariff Act of 1930, as added by title I of the Trade Agreements Act of 1979. These investigations will be subject to the provisions of Part 207 of the Commission's Rules of Practice and Procedure (19 CFR 207, 44 FR 76457) and, particularly, subpart C thereof, effective January 1, 1980.

Written submissions. Any person may submit to the Commission on or before the prehearing statement due date specified below for the relevant investigation a written statement of information pertinent to the subject matter of the investigation. A signed original and nineteen true copies of such statements must be submitted.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Hearings. The Commission has scheduled a hearing in each investigation on the date specified below. A report containing preliminary findings of fact prepared by the Commission's professional staff will be made available to all interested persons prior to the hearing. Any person's prehearing statement must be filed on or before the indicated date. All parties that desire to appear at the hearing and make oral presentations must file prehearing statements. For further information consult the Commission's Rules of Practice and Procedure, Part 207, Subpart C (44 FR 76457), effective January 1, 1980.

COUNTERVAILING DUTY INVESTIGATIONS IN CASES IN WHICH COUNTERVAILING DUTIES HAVE BEEN WAIVED OR PUBLISHED AFTER JULY 26, 1979

Inv. No.	Product/Country	Prehearing Report to Parties	Deadline for: Prehearing Statements From Parties	Hearing Date	Hearing Location	Contact Person
701-TA-36 (Final)	Hams and pork shoulders, cooked and packed in airtight containers, provided for in TSUS items 107.30 and 107.35/Italy	May 13, 1980	May 28, 1980	June 4, 1980	ITC Building Washington, DC	Vera Libeau 523-0368
701-TA-37 (Final)	Hams and pork shoulders, cooked and packed in airtight containers, provided for in TSUS items 107.30 and 107.35/Luxembourg	"	"	"	"	"
701-TA-38 (Final)	Hams and pork shoulders, cooked and packed in airtight containers, provided for in TSUS items 107.30 and 107.35/Netherlands	"	"	"	"	"
701-TA-39 (Final)	Hams and pork shoulders, cooked and packed in airtight containers, provided for in TSUS items 107.30 and 107.35/United Kingdom	"	"	"	"	"
701-TA-40 (Final)	Fish, fresh, chilled, or frozen, whether or not whole, but not otherwise prepared or preserved, provided for in TSUS items 110.35 110.50, and 110.55/Canada	Apr. 1, 1980	Apr. 16, 1980	Apr. 21, 1980	"	John MacHatton 523-0439
701-TA-41 (Final)	Handbags of leather, provided for in TSUS items 706.07 and 706.09/ Brazil	Apr. 8, 1980	Apr. 23, 1980	Apr. 28, 1980	"	Bruce Cates 523-0368
701-TA-42 (Final)	Tomatoes (whether or not reduced in size), packed in salt, in brine, pickled, or otherwise prepared or preserved, provided for in TSUS items 141.65 and 141.66/Belgium	Apr. 17, 1980	May 2, 1980	May 9, 1980	"	Robert Eninger 523-0312

Appendix D

Department of the Treasury's Notice of its Final Affirmative Determination in its First Countervailing Duty Investigation of Fish From Canada (42 F.R. 19326), April 13, 1977

Title 19—Customs Duties

CHAPTER I—UNITED STATES CUSTOMS SERVICE

[T.D. 77-107]

PART 159—LIQUIDATION OF DUTIES CERTAIN FISH FROM CANADA

Countervailing Duties To Be Imposed Under Section 303, Tariff Act of 1930, as Amended, by Reason of the Payment or Bestowal of a Bounty or Grant Upon the Manufacture, Production or Exportation of Certain Fish From Canada

AGENCY: Customs Service, Treasury.

ACTION: Final countervailing duty determination.

SUMMARY: This notice is to inform the public that a countervailing duty investigation has resulted in a determination that the Government of Canada has given benefits which constitute bounties or grants under the countervailing duty law on the manufacture, production or exportation of certain fish. However, countervailing duties will be waived due to actions by the Government of Canada to reduce significantly the bounty or grant.

EFFECTIVE DATE: April 13, 1977.

FOR FURTHER INFORMATION CONTACT:

Vincent P. Kane, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229 (202-566-5492).

SUPPLEMENTAL INFORMATION On October 7, 1976, a "Preliminary Countervailing Duty Determination" was published in the FEDERAL REGISTER (41 FR 44196). The notice stated that it preliminarily had been determined that benefits had been received by Canadian exporters of certain fish which may constitute bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303) (referred to in this notice as "the Act").

Fish imports covered by this investigation are classifiable under items 110.3540, 110.3545, and 110.5545, Tariff Schedules of the United States Annotated.

The notice stated that the programs under which these benefits were conferred included payments to fishermen and processors for catches and production of first quality fish and fish products under the Groundfish Temporary Assistance Program. A program preliminarily determined not to be a bounty or grant within the meaning of the Act included the payment of financial assistance toward the construction of certain fishing vessels built and registered in Canada. The notice further stated that before a final determination would be made consideration would be given to any relevant data, views, or arguments submitted in writing, on or before November 8, 1976 with respect to the preliminary determination.

After consideration of all information received, it is determined that exports of certain fish from Canada are subject to bounties or grants within the meaning of section 303 of the Act. Further inquiry into the vessel assistance payments has resulted in a determination that these payments do constitute bounties or grants within the meaning of the Act, in view of the fact that benefits in relation to total fish sales are more than de minimis and that over 75 percent of Canada's fish production is exported.

Payments under the Groundfish Temporary Assistance Program were discontinued on January 1, 1977, on exports of the fish and fish products which are within the scope of this investigation. Consequently, there are no longer any payments being made under this program to items subject to the investigation which would constitute bounties or grants within the meaning of section 303 of the Act.

Accordingly, notice is hereby given that the dutiable fish, which is the subject of this investigation, imported directly or indirectly from Canada, if en-

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tered, or withdrawn from warehouse for consumption on or after April 13, 1977, will be subject to payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed.

Effective April 13, 1977 and until further notice, upon the entry for consumption or withdrawal from warehouse for consumption of such dutiable fish from Canada, which benefit from these bounties or grants and are subject to this order, liquidation shall be suspended pending declarations of the net amounts of the bounties or grants paid.

Any merchandise subject to the terms of this order shall be deemed to have benefited from a bounty or grant if such bounty or grant has been or will be credited or bestowed directly or indirectly, upon the manufacture, production or exportation of such dutiable fish from Canada.

Notwithstanding the above, a "Notice of Waiver of Countervailing Duties" is being published concurrently with this order which covers fish from Canada subject to this investigation in accordance with section 303(d) of the Act. At such time as the waiver ceases to be effective, in whole or in part, a notice will be published setting for the deposit of estimated countervailing duties which will be required at the time of duty, or withdrawal from warehouse, for consumption of each product then subject to the payment of countervailing duties.

§ 159.47 [Amended]

The table in § 159.47(f) of the Customs Regulations (19 CFR § 159.47(f)) is amended by inserting after the last entry for Canada the words "Certain fish" in the column headed "Commodity", the number of this Treasury Decision in the column headed "Treasury Decision", and the words "Bounty Declared—Rate" in the column headed "Action".

(Sec. 303 of the Act. (R.S. 251, secs. 303, as amended, 624, 46 Stat. 687, 719, 84 Stat. 3060, 19 U.S.C. 66, 1303, as amended, 1624).)

Approved: April 5, 1977.

VERNON D. ACREE,
Commissioner of Customs.

JOHN H. HARPER,
Acting Assistant Secretary of the Treasury.

[FR Doc 77-10747 Filed 4-13-77;8:45 am]

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Appendix E

Department of the Treasury's Notice of its Intention to Waive the Imposition of Countervailing duties in its First Investigation of Fish from Canada (42 F.R. 19327), April 13, 1977

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[T.D. 77-109]

PART 159—LIQUIDATION OF DUTIES CERTAIN FISH FROM CANADA

Determination Under Section 303(d), Tariff Act of 1930, as Amended, To Waive Countervailing Duties

AGENCY: Department of the Treasury.

ACTION: Waiver of Countervailing Duty.

SUMMARY: This notice is to inform the public that a determination has been made to waive the countervailing duties that would otherwise be required by section 303 of the Tariff Act of 1930. The countervailing duties are waived on bounties or grants paid by the Canadian Government on the manufacture, production or exportation of certain fish. The waiver is being issued, among other reasons, because of actions by the Government of Canada to reduce significantly the bounty or grant. The waiver will expire on January 4, 1979 unless revoked earlier.

EFFECTIVE DATE: April 13, 1977.

FOR FURTHER INFORMATION CONTACT:

Richard B. Self, Office of Tariff Affairs, U.S. Treasury Department, 15th and Pennsylvania Avenue NW., Washington, D.C. (202-566-8256).

SUPPLEMENTAL INFORMATION: In T.D. 77-107, published concurrently with this determination, it has been determined that bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303), are being paid or bestowed directly or indirectly, upon the manufacture, production or exportation of certain fish from Canada.

Section 303(d) of the Tariff Act of 1930, as added by the Trade Act of 1974 (Pub. L. 93-618, January 3, 1975), authorizes the Secretary of the Treasury to waive the imposition of countervailing duties during the 4-year period beginning on the date of enactment of the Trade Act of 1974 if he determines that:

(1) Adequate steps have been taken to reduce substantially or eliminate during such period the adverse effect of a bounty or grant which he has determined is being paid or bestowed with respect to any article or merchandise;

(2) There is a reasonable prospect that, under section 102 of the Trade Act of 1974, successful trade agreements will be entered into with foreign countries or instrumentalities providing for the reduction or elimination of barriers to or other distortions of international trade; and

(3) The imposition of the additional duty under this section with respect to such article or merchandise would be likely to seriously jeopardize the satisfactory completion of such negotiations.

Based upon analysis of all the relevant factors and after consultations with interested agencies, I have concluded that steps have been taken to reduce substantially the adverse effects of the bounty or grant. Specifically the Government of Canada has removed a direct subsidy payment to Canadian fish processors under the Groundfish Temporary Assistance Program for those categories of fish covered by this investigation which are exported. This resulted in a 97 percent reduction in the bounty or grant.

After consulting with appropriate agencies, including the Department of State, the Office of Special Representative for Trade Negotiations, and the Department of Commerce, I have further concluded (1) That there is a reasonable prospect that, under section 102 of the Trade Act of 1974, successful trade agreements will be entered into with foreign countries or instrumentalities providing for the reduction or elimination of barriers to or other distortions of international trade; and (2) That the imposition of countervailing duties on certain fish from Canada would be likely to seriously jeopardize the satisfactory completion of such negotiations.

Accordingly, pursuant to section 303 (d) of the Tariff Act of 1930, as amended (19 U.S.C. 1303(d)), I hereby waive the imposition of countervailing duties as well as the suspension of liquidation ordered in T.D. 77-107 on certain fish from Canada.

This determination may be revoked, in whole or in part, at any time and shall be revoked whenever the basis supporting such determination no longer exists. Unless sooner revoked or made subject to a resolution of disapproval adopted by either House of the Congress of the United States pursuant to section 303(e) of the Tariff Act of 1930, as amended (19 U.S.C. 1303(e)), this waiver of countervailing duties will, in any event, by statute cease to have force and effect on January 4, 1979.

On or after April 13, 1977, of a notice revoking this determination in whole or in part, the day after the date of adoption by either House of Congress of a resolution disapproving this "Waiver of Countervailing Duties", or January 4, 1979, whichever occurs first, countervailing duties will be assessable on certain fish imported directly or indirectly from Canada in accordance with T.D. 77-107 published concurrently with this determination.

§ 159.47 [Amended]

The table in § 159.47(f) of the Customs Regulations (19 CFR § 159.47(f)) is amended by inserting after the last entry from Canada under the commodity heading "Certain Fish" the number of this Treasury Decision in the column heading "Treasury Decision", and the words "Imposition of countervailing duties waiver" in the column headed "Action".

(R.S. 251, secs. 303, as amended, 624, 46 Stat. 687, 759, 88 Stat. 2041, 2043, 19 U.S.C. 66, 1303, as amended, 1624.)

JOHN H. HARPER,
Acting Assistant Secretary of the Treasury.

APRIL 5, 1977.

[FR Doc.77-10748 Filed 4-13-77;8:45 am]

Appendix F

Department of the Treasury's Notice of its Final Affirmative Determination in its Second Countervailing Duty Investigation of Fish from Canada (43 F.R. 25996), June 16, 1978

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[4810-22]

(T.D. 78-181)

PART 159—LIQUIDATION OF DUTIES

Certain Fish From Canada—Final Countervailing Duty Determination

AGENCY: Customs Service, U.S. Treasury Department.

ACTION: Final countervailing duty determination.

SUMMARY: This notice is to inform the public that a countervailing duty investigation has resulted in a determination that the Government of Canada has given benefits which constitute bounties or grants under the countervailing duty law on the manufacture, production, or exportation of certain fish. Both dutiable and duty-free fish are included in this determination. However, countervailing duties on the dutiable fish will be waived, based upon actions of the Government of Canada to reduce significantly the bounty or grant and the other criteria for waiver in the law. The case involving duty-free fish is being referred to the International Trade Commission for an injury determination.

EFFECTIVE DATE: June 16, 1978.

FOR FURTHER INFORMATION CONTACT:

Vincent P. Kane, Operations Officer, Duty Assessment Division, United States Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, 202-566-5492.

SUPPLEMENTARY INFORMATION: On January 27, 1978, a "Preliminary Countervailing Duty Determination" was published in the FEDERAL REGISTER (42 FR 3786). The notice stated that it had been preliminarily determined that benefits had been received by Canadian fishermen and processors which may constitute bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303) (referred to in this notice as "the Act").

Fish imports covered by this investigation are classifiable under items 110.3570, 110.3575, 110.5025, 110.5030, 110.5045, 110.5050, 110.5065, 110.5520, 110.5550, 110.5565, 110.5570, 110.1585, 110.1589, 110.4710, 110.4726, 110.7033, 110.7039, 111.2200, 111.6400, 111.6800, Tariff Schedules of the United States Annotated (TSUSA).

The fish imports from Canada which are classifiable under items 110.1585, 110.1589, 110.4710, 110.4726, 110.7033, 110.7039, 111.2200, 111.6400, and 111.6800 TSUSA are free of duty.

The notice stated that the programs under which these benefits were conferred included: (1) Direct payments to fishermen and fish processors by the Federal Government under the Groundfish Temporary Assistance Program (GTAP); (2) assistance to fishermen for financing of vessel construction; and (3) grants provided to the Newfoundland fishing industry by the Department of Regional Economic Expansion (DREE).

The notice offered interested parties an opportunity to submit any relevant data, views, or arguments in writing with respect to the preliminary determination on or before February 27, 1978.

After consideration of all information received it is determined that exports of all fish from Canada covered by this investigation are subject to bounties or grants within the meaning of section 303 of the Act. The bounties or grants are:

(1) Payments under the Groundfish Temporary Assistance Program, which at its outset provided fishermen and fish processors with cash payments on a landed weight or processed weight basis and some of which remain to be paid through September 30, 1978.

(2) Cash payments to fishermen for the financing of vessel construction of up to 35 percent of the approved capital cost. This type of aid is treated as a bounty or grant under the law in view of the fact that a preponderance of Canadian fish is exported.

(3) Grants provided by the Department of Regional Economic Assistance (DREE) to the Province of Newfoundland whereby DREE and the Provincial Authorities share the capital cost for: (a) the augmentation of water supply systems to several coastal communities in Newfoundland, and (b) the construction of wharfs, service center buildings, storage areas, supply and installation of travelift and synchrolift equipment at Maine Service Centers. Since the benefits of these forms of capital improvements are used almost exclusively by fishermen and fish processors, and, as previously noted, a preponderance of the fish produced in Canada is exported, the regional aids described above are considered bounties or grants.

(4) Other forms of assistance, including:

(a) Vessel construction assistance under the Fishermen's Loan Act provided by lending authorities in New Brunswick, Nova Scotia, and Prince Edward Island;

(b) Loans for the processing facilities under the New Brunswick Development Corporation; and

(c) Plant expansion loans provided by Nova Scotia Industrial Estates, Ltd.

Accordingly, notice is hereby given that the dutiable fish which are the subject of this investigation, imported directly or indirectly from Canada, is entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the FEDERAL REGISTER, will be subject to payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed.

In accordance with section 303 of the Act and until further notice, the net amount of such bounties or grants has not been ascertained and determined but is estimated to be 5 percent of the f.o.b. price for export to the United States of the dutiable fish from Canada covered by this Notice.

Effective on or after the date of publication of this notice in the FEDERAL REGISTER and until further notice, upon the entry for consumption or withdrawal from warehouse for consumption of the dutiable fish from Canada, which benefit from these bounties or grants, there shall be collected, in addition to any other duties estimated or determined to be due, countervailing duties in the amount estimated in accordance with the above declaration. To the extent that it can be established to the satisfaction of the Commissioner of Customs that imports of certain dutiable fish from Canada are subject to a bounty or grant smaller than the amount which otherwise would be applicable under the above declaration the smaller amount so established shall be assessed and collected.

Any merchandise subject to the terms of this order shall be deemed to have benefited from a bounty or grant if such bounty or grant has been or will be credited or bestowed, directly or indirectly, upon the manufacture, production or exportation.

Notwithstanding the above, a "Notice of Waiver of Countervailing Duties" is being published concurrently with this order which covers the dutiable fish from Canada subject to this investigation in accordance with section 303(d) of the Act. At such time as the waiver ceases to be effective, in whole or in part, a notice will be published setting forth the deposit of estimated countervailing duties which will be required at the time of entry, or withdrawal from warehouse, for consumption of each product then subject to the payment of countervailing duties.

The duty-free fish subject to this investigation are included in the above finding of payments of bounties or grants as defined in the Act. In accordance with section 303(a)(2) of the Tariff Act of 1930, as amended (19 U.S.C. 1303(a)(2)), countervailing duties may not be imposed upon any article or merchandise which is free of duty in the absence of a determination by the International Trade Commission that an industry in the United

States is being, or is likely to be injured, or is prevented from being established, by reason of the importation of such article or merchandise into the United States.

Accordingly, the International Trade Commission is being advised of this determination and the liquidation of entries, or withdrawals from warehouse, for consumption of the duty-free fish in question will be suspended pending the determination of the Commission.

Should the determination of the Commission be affirmative, the Treasury would also consider it appropriate to waive countervailing duties under section 303(d) of the Act based on the actions by the Government of Canada described in the waiver notice applicable to the programs there described.

Pursuant to Reorganization Plan No. 26 of 1950 and Treasury Department Order 190 Revision 14, July 1, 1977, the provisions of Treasury Department Order 165, revised November 2, 1954, and § 159.47(d) of the Customs regulations (19 CFR 159.47(d)), insofar as they pertain to the issuance of a countervailing duty order by the Commissioner of Customs, are hereby waived.

Dated: July 13, 1978.

ROBERT H. MUNDHEIM,
General Counsel
of the Treasury.

[FR Doc. 78-16815 Filed 6-15-78; 8:45 am]

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Appendix G

Department of the Treasury's Notice of its Intention to Waive the Imposition of Countervailing Duties in its Second Investigation of Fish from Canada (43 F.R. 25995), June 16, 1978

BEST DOCUMENT AVAILABLE

[4810-22]

Title 19—Customs Duties

CHAPTER I—CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

[T.D. 78-182]

PART 159—LIQUIDATION OF DUTIES

Certain Fish From Canada—Waiver of Countervailing Duties

AGENCY: Department of the Treasury.

ACTION: Waiver of countervailing duties.

SUMMARY: This notice is to inform the public that a determination has been made to waive countervailing duties that would otherwise be required by section 303 of the Tariff Act of 1930 on imports of dutiable fish from Canada. The waiver is being issued based on actions by the Canadian Government to eliminate the cash assistance program for the fishing industry and the other statutory criteria for granting a waiver.

EFFECTIVE DATE: June 16, 1978.

FOR FURTHER INFORMATION CONTACT:

Richard B. Self, Director, Office of Tariff Affairs, U.S. Treasury Department, 15th and Pennsylvania Avenue NW., Washington, D.C. 20220, 202-566-8585.

SUPPLEMENTARY INFORMATION: In T.D.-181 published concurrently, it has been determined that bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303), are being paid or bestowed directly or indirectly upon the manufacture, production, or exportation of certain fish from Canada.

Section 303(d) of the Tariff Act of 1930, as amended by the Trade Act of 1974 (Pub. L. 93-618, January 3, 1975), authorizes the Secretary of the Treasury to waive the imposition of countervailing duties during the four-year period beginning on the date of enactment of the Trade Act of 1974 if he determines that:

(1) Adequate steps have been taken to reduce substantially or eliminate during such period the adverse effect of a bounty or grant which he has determined is being paid or bestowed with respect to any article or merchandise;

(2) There is a reasonable prospect that under section 102 of the Trade Act of 1974, successful trade agreements will be entered into with foreign countries or instrumentalities providing for the reduction or elimination of barriers to or other distortions of international trade; and

(3) The imposition of the additional duty under the section with respect to such article or merchandise would be likely to seriously jeopardize the satisfactory completion of such negotiations.

Based upon analysis of all the relevant factors and after consultations with interested agencies and parties with direct interest in this proceeding, I have concluded that steps have been taken to reduce substantially the adverse effects of the bounty or grant. Specifically, the Government of Canada is acting to dismantle the groundfish temporary assistance program that has provided direct payments to fishermen and fish processors in Canada. The subsidy for processors, which is approximately 5 percent ad valorem is being discontinued with respect to claims for payments presented after January 1, 1978. Cash subsidies to "offshore" landings from large vessels, which are approximately 4 percent ad valorem on about 55 percent of the catch, have been discontinued for any claims after March 31, 1978. Finally the 4 percent ad valorem subsidy to "onshore" vessels of a smaller size, accounting for approximately 45 percent of the catch, will be terminated with respect to claims for payments to be presented after October 1, 1978. These steps will effectively reduce the bounty or grant on groundfish exports by 65 percent as of March 31, 1978. By October 1, 1978, the effective bounty will have been reduced by 92 percent. Thus the steps described above reduce substantially, and by October 1, almost entirely eliminate, the effective bounty or grant on groundfish exports to the United States.

After consulting with appropriate agencies, including the Department of State, the Department of Commerce, and the Office of the Special Representative for Trade Negotiations, I have further concluded:

(1) That there is a reasonable prospect that, under section 102 of the Trade Act of 1974, successful trade agreements will be entered into with foreign countries or instrumentalities providing for the reduction or elimination of barriers to or other distortions of international trade; and

(2) The imposition of countervailing duties on dutiable groundfish from Canada would be likely seriously to jeopardize the satisfactory completion of such negotiations.

Accordingly, pursuant to section 303(d) of the Tariff Act of 1930, as amended (19 U.S.C. 1303(d)), I hereby waive the imposition of countervailing duties on certain dutiable fish imports from Canada.

This determination may be revoked, in whole or in part, at any time and shall be revoked whenever the basis supporting the determination no longer exists. Unless sooner revoked or made subject to a resolution of disapproval adopted by either House of the Congress of the United States pursuant to section 303(e) of the Tariff Act of 1930, as amended (19 U.S.C. 1303(e)), this waiver of countervailing duties will, in any event by statute, cease to have force and effect on January 4, 1979.

On or after the date of publication in the FEDERAL REGISTER of a notice revoking this determination, in whole or in part, the day after the date of adoption by either House of Congress of a resolution disapproving this "waiver of countervailing duties," or January 4, 1979, whichever occurs first, countervailing duties will be assessable on certain groundfish imported directly or indirectly from Canada in accordance with T.D. 78-181, published concurrently with this determination.

The table in § 159.47(f) of the Customs regulations (19 CFR 159.47(f)) is amended by inserting after the last entry from Canada under the commodity heading "Fish," the number of this Treasury Decision in the column heading "Treasury Decision," and the words "Imposition of Countervailing Duties Waived" in the column headed "Action."

(R.S. 251, secs. 303, as amended, 624; 46 Stat. 687, 759, 88 Stat. 2051, 2052 (19 U.S.C. 66, 1303), as amended 1624.)

Dated: June 13, 1978.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[FR Doc. 78-16814 Filed 6-15-78; 8:45 am]

Appendix H

Department of the Treasury's Notice of its Final Affirmative Determination in its Third Countervailing Duty Investigation of Fish from Canada (44 F.R. 1372), January 5, 1979

BEST DOCUMENT AVAILABLE

[4810-22-M]

Title 19—Customs Duties

CHAPTER I—UNITED STATES CUSTOMS SERVICE, TREASURY DEPARTMENT

[T.D. 79-07]

PART 159—LIQUIDATION OF DUTIES

Certain Fish From Canada—Final Countervailing Duty Determination

AGENCY: Customs Service, Treasury.

ACTION: Final countervailing duty determination.

SUMMARY: This notice is to inform the public that a countervailing duty investigation has resulted in a determination that the Government of Canada has given benefits which constitute bounties or grants under the countervailing duty law on the manufacture, production, or exportation of certain fish. Both dutiable and duty-free fish are included in this determination. However, countervailing duties on the dutiable fish originating in the Atlantic regions of Canada will be waived, based upon actions of the Government of Canada to reduce significantly the bounty or grant and the other criteria for waiver in the law. The case involving duty-free fish originating in the Atlantic regions of Canada is being referred to the International Trade Commission for an injury determination. Fish originating in the rest of Canada have been determined to receive benefits that are *de minimis*.

EFFECTIVE DATE: December 29, 1978.

FOR FURTHER INFORMATION CONTACT:

Charles P. Goldsmith, Economist, Office of Tariff Affairs, Department of the Treasury, 15th Street and Pennsylvania Avenue NW., Washington, D.C. 20220, telephone 202-566-2323.

SUPPLEMENTARY INFORMATION: On July 10, 1978, a notice of "Initiation of Countervailing Duty Investigation and Preliminary Determination" was published in the FEDERAL REGISTER (43 FR 29637). The notice stated that it had been preliminarily determined that benefits had been received by Canadian fishermen and processors which may constitute bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303) (referred to in this notice as "the Act").

Fish imports covered by this investigation are classifiable under items 110.3552, 110.5070, 110.1593, 110.1597, 110.4730, 110.4755, 110.4760, 110.4765, 114.4520, and 114.4537, Tariff Schedules of the United States Annotated (TSUSA).

The fish imports from Canada which are classifiable under items 110.1593, 110.1597, 110.4730, 110.4755, 110.4760, 110.4765, 114.4520, and 114.4537 TSUSA are free of duty.

The notice stated that the programs under which these benefits were conferred included: (1) direct payments to fishermen and fish processors by the Federal Government under the Groundfish Temporary Assistance Program (GTAP); (2) assistance to fishermen for financing of vessel construction; (3) grants provided to the Newfoundland fishing industry by the Department of Regional Economic Expansion (DREE); and (4) other assistance in the form of loans at preferential rates.

The notice offered interested parties an opportunity to submit any relevant data, views, or arguments in writing with respect to the preliminary determination on or before July 25, 1978.

After consideration of all information received, it is determined that exports of certain fish from Canada covered by this investigation are subject

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to bounties or grants within the meaning of section 303 of the Act. The bounties or grants are:

(1) Cash payments to fishermen for the financing of vessel construction of up to 35 percent of the approved capital cost of vessels between 35 and 75 feet in length. Assistance is available from a different source for vessels over 75 feet in length for up to 20 percent of the approved capital cost of the vessel. This type of aid is treated as a bounty or grant under the law in view of the fact that a preponderance of Canadian fish is exported.

Ninety percent of the funds of the former program benefit fishermen of all species of fish who are located in the Atlantic regions of Canada (i.e., Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, and Quebec); the remaining ten percent benefit fishermen of all species who are located in the rest of Canada. Benefits from the latter program are received by all Canadian fishermen of all species.

(2) Grants provided by DREE to the Province of Newfoundland whereby DREE and the Provincial Authorities share the capital cost for: (a) the augmentation of water supply systems to several coastal communities in Newfoundland, and (b) the construction of wharfs, service center buildings, storage areas, supply and installation of travelift and synchrolift equipment at Marine Service Centers. These benefits are received by Atlantic fishermen of all species.

In addition, DREE has provided funds for the construction and improvement of groundfish processing plants in the Atlantic regions of Canada. Only those grants which pertained exclusively to the groundfish under investigation were considered as countervailable. These funds benefited only the Atlantic fishermen of groundfish.

Since the benefits of these forms of capital improvements are used almost exclusively by fishermen and fish processors, and as previously noted, a preponderance of the fish produced in Canada is exported, the regional aids described above are considered bounties or grants.

(3) Assistance in the form of low-cost loans by the Nova Scotia Fishermen's Loan Board and the New Brunswick Fishermen's Loan Board. Benefits from these programs were received by Atlantic fishermen of all species.

It has been determined that the Groundfish Temporary Assistance Program (GTAP) no longer constitutes a bounty or grant. Payments under this program, which at its outset provided fishermen and processors of groundfish with cash payments, ceased as of October 1, 1978.

It has been determined that certain other programs of the Canadian Government do not constitute a bounty or grant. These are:

(1) Loans by the Prince Edward Island Fishermen's Loan Board. These loans were made at commercial rates of interest.

(2) Loans and loan guarantees by the New Brunswick Development Corporation. These loans were made at commercial rates of interest and a charge is levied for the guarantee.

(3) Loans by the Nova Scotia Industrial Estates Limited. These loans were made at commercial rates.

(4) Loan guarantees under the Fisheries Improvement Loan Act. These loans were made at commercial rates and a charge is levied for the guarantee.

In accordance with section 303 of the Act and until further notice, the net amount of bounties or grants has been determined to be, in terms of the f.o.b. price for export to the United States: 1.17 percent for groundfish originating in the Atlantic regions of Canada (i.e., Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, and Quebec); 0.38 percent for groundfish originating in the rest of Canada; 1.08 percent for shellfish originating in the Atlantic regions of Canada; and 0.38 percent for shellfish originating in the rest of Canada.

It has been determined that the shellfish and groundfish originating in the rest of Canada receive benefits that are legally *de minimis;* therefore, no countervailing duties will be assessed on imports of these products.

Accordingly, notice is hereby given that the dutiable fish originating in the Atlantic regions of Canada which are the subject of this investigation, imported directly or indirectly from the Atlantic regions of Canada, if entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the FEDERAL REGISTER, will be subject to payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed.

Effective on or after the date of publication of this notice in the FEDERAL REGISTER and until further notice, upon the entry for consumption or withdrawal from warehouse for consumption of the dutiable fish from Canada, which benefit from these bounties or grants, there shall be collected, in addition to any other duties estimated or determined to be due, countervailing duties in the amount estimated in accordance with the above declaration. To the extent that it can be established to the satisfaction of the Commissioner of Customs that imports of certain dutiable fish from Canada are subject to a bounty or grant smaller than the amount which otherwise would be applicable under the above declaration, the smaller amount so established shall be assessed and collected.

Any merchandise subject to the terms of this order shall be deemed to have benefited from a bounty or grant if such bounty or grant has been or will be credited or bestowed, directly or indirectly, upon the manufacture, production or exportation.

Notwithstanding the above, a "Notice of Waiver of Countervailing Duties" is being published concurrently with this order which covers the dutiable fish originating in the Atlantic regions of Canada subject to this investigation in accordance with section 303(d) of the Act. At such time as the waiver ceases to be effective, in whole or in part, a notice will be published setting forth the deposit of estimated countervailing duties which will be required at the time of entry, or withdrawal from warehouse, for consumption of each product then subject to the payment of countervailing duties.

The duty-free fish subject to this investigation are included in the above finding of payments of bounties or grants as defined in the Act. In accordance with section 303(a)(2) of the Tariff Act of 1930, as amended (19 U.S.C. 1303(a)(2)), countervailing duties may not be imposed upon any article or merchandise which is free of duty in the absence of a determination by the International Trade Commission that an industry in the United States is being, or is likely to be, injured, or is prevented from being established, by reason of the importation of such article or merchandise into the United States.

Accordingly, the International Trade Commission is being advised of this determination and the liquidation of entries, or withdrawals from warehouse, for consumption of the duty-free fish in question will be suspended pending the determination of the Commission.

Should the determination of the Commission be affirmative, the Treasury would also consider it appropriate to waive countervailing duties under section 303(d) of the Act, should it then or subsequently have the authority to do so and the preconditions then extant for such a waiver are met.

The table in section 159.47(f) of the Customs Regulations (19 CFR 159.47(f)) is amended by inserting after the last entry from Canada and under the commodity heading "Fish" the number of this Treasury Decision in the column so headed, and the words "Bounty Declared-Rate" in the column headed "Action".

(R.S. 251, as amended, secs. 303, 624; 46 Stat. 687, 759, as amended, 88 Stat. 2051, 2052 (19 U.S.C. 66, 1303), as amended, 1624).

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Pursuant to Reorganization Plan No. 26 of 1950 and Treasury Department Order 190 (Revision 15), March 16, 1978, the provisions of Treasury Department Order No. 165, Revised, November 2, 1954, and section 159.47 of the Customs Regulations (19 CFR 159.47), insofar as they pertain to the issuance of a final countervailing duty determination by the Commissioner of Customs, are hereby waived.

ROBERT H. MUNDHEIM,
General Counsel
of the Treasury.

DECEMBER 29, 1978.

[FR Doc. 79-525 Filed 1-4-79; 8:45 am]

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Appendix I

Department of the Treasury's Notice of its Intention to
Waive the Imposition of Countervailing Duties in
its Third Investigation of Fish from Canada
(44 F.R. 1728), January 8, 1978

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[4810-22-M]

Title 19—Customs Duties

CHAPTER I—U.S. CUSTOMS SERVICE, TREASURY DEPARTMENT

[T.D. 79-08]

PART 159—LIQUIDATION OF DUTIES

Certain Fish From Canada—Waiver of Countervailing Duties

AGENCY: Department of the Treasury.

ACTION: Waiver of Countervailing Duties.

SUMMARY: This notice is to inform the public that a determination has been made to waive countervailing duties that would otherwise be required by Section 303 of the Tariff Act of 1930 on imports of dutiable fish from Canada. The waiver is being issued based on actions by the Canadian Government to eliminate the cash assistance program for the fishing industry and the other statutory criteria for granting a waiver.

EFFECTIVE DATE: December 29, 1978.

FOR FURTHER INFORMATION CONTACT:

Richard B. Self, Director, Office of Tariff Affairs, U.S. Treasury Department, 15th & Pennsylvania Avenue, N.W., Washington, D.C. 20220, (202) 566-8585.

SUPPLEMENTARY INFORMATION: In T.D. 79-07 published concurrently, it has been determined that bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended, (19 U.S.C. 1303), are being paid or bestowed directly or indirectly upon the manufacture, production, or exportation of certain fish from Canada.

Section 303(d) of the Tariff Act of 1930, as amended by the Trade Act of 1974 (Pub. L. 93-618, January 3, 1975), authorizes the Secretary of the Treasury to waive the imposition of countervailing duties during the four-year period beginning on the date of enactment of the Trade Act of 1974 if he determines that:

(1) adequate steps have been taken to reduce substantially or eliminate during such period the adverse effect of a bounty or grant which he has determined is being paid or bestowed with respect to any article or merchandise;

(2) there is a reasonable prospect that under section 102 of the Trade Act of 1974, successful trade agreements will be entered into with foreign countries or instrumentalities providing for the reduction or elimination of barriers to or other distortions of international trade; and

(3) the imposition of the additional duty under the section with respect to such article or merchandise would be likely to seriously jeopardize the satisfactory completion of such negotiations.

Based upon analysis of all the relevant factors and after consultations with interested agencies and parties with direct interest in this proceeding, I have concluded that steps have been taken to reduce substantially the adverse effects of the bounty or grant. Specifically, the Government of Canada has acted to dismantle the Groundfish Temporary Assistance Program that provided direct payments to fishermen and fish processors in Canada. The subsidy for processors, which was approximately 8% *ad valorem*, was discontinued with respect to claims for payments presented after January 1, 1978. Cash subsidies to "offshore" landings from large vessels, which were approximately 4% *ad valorem* on about 55% of the catch, were discontinued for any claims after March 31, 1978. Finally, the 4% *ad valorem* subsidy to "onshore" vessels of a smaller size, accounting for 45% of the catch, was terminated with respect to claims for payments presented after October 1, 1978. Thus, by October 1, 1978, the effective bounty was almost entirely eliminated on groundfish exports to the United States.

After consulting with appropriate agencies, including the Department of State, the Department of Commerce, and the Office of the Special Representative for Trade Negotiations, I have concluded:

(1) that there is a reasonable prospect that, under section 102 of the Trade Act of 1974, successful trade agreements will be entered into with foreign countries or instrumentalities providing for the reduction or elimination of barrier to or other distortions of international trade; and

(2) the imposition of countervailing duties on dutiable groundfish from Canada would be likely seriously to jeopardize the satisfactory completion of such negotiations.

Accordingly, pursuant to Section 303(d) of the Tariff Act of 1930, as amended (19 U.S.C. 1303(d)), I hereby waive the imposition of countervailing duties on certain dutiable fish imports from Canada.

This determination may be revoked, in whole or in part, at any time and shall be revoked whenever the basis supporting the determination no longer exists. Unless sooner revoked or made subject to a resolution of disapproval adopted by either House of the Congress of the United States pursuant to Section 303(e) of the Tariff Act of 1930, as amended (19 U.S.C. 1303(e)), this waiver of countervailing duties will, in any event by statute, cease to have force and effect on January 3, 1979.

On or after the date of publication in the FEDERAL REGISTER of a notice revoking this determination, in whole or in part, the day after the date of adoption by either House of Congress of a resolution disapproving this "Waiver of Countervailing Duties," or January 3, 1979, whichever occurs first, countervailing duties will be assessable on certain groundfish imported directly or indirectly from Canada in accordance with T.D. 79-07 published concurrently with this determination.

The table in Section 159.47(f) of the Customs Regulations (19 CFR 159.47(f)) is amended by inserting after the last entry from Canada under the commodity heading "Fish", the number of this Treasury Decision in the column heading "Treasury Decision", and the words "Imposition of Countervailing Duties Waived" in the column headed "Action".

(R.S. 251, as amended, secs. 303, 624, 46 Stat. 687, 759, as amended, 88 Stat. 2051, 2052 (19 U.S.C. 66, 1303), as amended, 1624)

ROBERT H. MUNDHEIM,
General Counsel
of the Treasury.

DECEMBER 29, 1978.

[FR Doc. 79-533 Filed 1-5-79, 8:45 am]

APPENDIX J

Supplementary Statistical Tables

Table J-1.--Atlantic ocean perch, whole or processed by removal of heads, viscera, or fins, or any combination thereof, but not otherwise processed (TSUSA item 110.3552): 1/ U.S. imports for consumption, by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Norway	0	0	0	0	301	0
Canada	265	52	527	71	84	33
Mexico	10	45	8	1	15	0
Rep. of South Africa	71	124	20	89	13	0
United Kingdom	1	29	0	0	3	0
All other	1,014	201	1,088	89	2/	100
Total	1,362	451	1,644	249	416	132
	Value (1,000 dollars)					
Norway	-	-	-	-	355	-
Canada	156	27	95	67	62	6
Mexico	5	24	4	3/	4	-
Rep. of South Africa	12	35	9	33	9	-
United Kingdom	1	16	-	-	3	-
All other	446	104	607	71	3/	25
Total	620	205	716	171	433	31
	Unit value (dollars per pound)					
Norway	-	-	-	-	1.18	-
Canada	0.59	0.52	0.18	0.95	0.74	.19
Mexico	0.46	0.54	0.45	0.40	0.28	-
Rep. of South Africa	0.16	0.28	0.47	0.37	0.67	-
United Kingdom	1.01	0.55	-	-	1.23	-
All other	0.44	0.51	0.56	0.79	1.30	.25
Average	0.46	0.45	0.44	0.67	1.04	.24

1/ TSUSA items 110.3550 and 110.3555 prior to 1978
2/ Less than 500 pounds.
3/ Less than 500 dollars.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-2.--Flounders and other flatfish, except halibut, fresh or chilled, whole or processed by removal of heads, viscera, or fins, or any combination thereof, but not otherwise processed (TSUSA item 110.3560): U.S. imports for consumption, by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Canada	1,054	1,784	2,214	2,085	1,750	2,872
Mexico	29	32	70	150	270	360
Netherlands	44	21	0	91	87	33
Japan	0	0	0	0	20	0
New Zealand	0	0	0	2	4	32
All other	31	18	7	21	5	23
Total	1,158	1,856	2,292	2,349	2,137	3,320
	Value (1,000 dollars)					
Canada	236	428	517	528	495	754
Mexico	8	11	33	72	160	219
Netherlands	61	35	-	166	159	101
Japan	-	-	-	-	10	-
New Zealand	-	-	-	1	3	24
All other	49	38	12	28	15	44
Total	354	511	562	795	842	1,142
	Unit value (dollars per pound)					
Canada	0.22	0.24	0.23	0.25	0.28	0.26
Mexico	0.26	0.33	0.47	0.48	0.59	0.61
Netherlands	1.39	1.62	-	1.83	1.82	3.05
Japan	-	-	-	-	0.48	-
New Zealand	-	-	-	0.65	0.77	0.76
All other	1.59	2.13	1.57	1.31	2.80	1.95
Average	0.31	0.28	0.25	0.34	0.39	0.34

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-3.--Flounders and other flatfish, except halibut, frozen, whole or processed by removal of heads, viscera, or fins, or any combination thereof, but not otherwise processed (TSUSA item 110.3565): U.S. imports for consumption, by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Netherlands	786	1,541	1,935	1,535	1,430	1,824
Canada	224	440	122	208	382	517
Belgium	262	468	442	466	364	290
Iceland	45	736	341	872	306	874
Japan	287	291	189	36	249	186
All other	281	310	139	429	315	307
Total	1,885	3,786	3,168	3,547	3,045	3,998
	Value (1,000 dollars)					
Netherlands	994	2,447	4,195	3,185	3,202	5,560
Canada	111	203	63	134	350	523
Belgium	328	698	928	995	841	820
Iceland	20	372	187	479	210	681
Japan	132	105	82	25	109	132
All other	269	359	267	265	312	340
Total	1,854	4,184	5,722	5,084	5,023	8,055
	Unit value (dollars per pound)					
Netherlands	1.27	1.59	2.17	2.07	2.24	3.05
Canada	0.50	0.46	0.52	0.65	0.92	1.01
Belgium	1.25	1.41	2.10	2.13	2.31	2.83
Iceland	0.44	0.51	0.55	0.55	0.69	0.78
Japan	0.46	0.36	0.43	0.70	0.44	0.71
All other	0.96	1.16	1.92	0.62	0.99	1.11
Total	0.98	1.09	1.81	1.43	1.65	2.01

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-4.--Other fish under investigation, fresh or chilled, whole or processed by removal of heads, viscera, or fins, or any combination thereof, but not otherwise processed (TSUSA item 110.3570): U.S. imports for consumption, by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Canada	649	1,043	584	902	1,729	5,564
Argentina	0	56	100	86	173	133
Uruguay	0	0	0	0	141	78
Netherlands	36	36	0	56	17	15
Japan	44	77	178	46	1	17
All other	0	0	41	1/	0	8
Total	729	1,212	903	1,090	2,061	5,815
	Value (1,000 dollars)					
Canada	178	253	116	292	319	943
Argentina	-	8	18	20	60	37
Uruguay	-	-	-	-	37	30
Netherlands	28	64	-	70	57	61
Japan	12	38	90	39	2	27
All other	-	-	21	1	-	5
Total	218	363	245	422	475	1,103
	Unit value (dollars per pound)					
Canada	.27	.24	.20	.32	.18	.17
Argentina	-	.14	.18	.23	.35	.28
Uruguay	-	-	-	-	.26	.38
Netherlands	.78	1.78	-	1.25	3.35	3.93
Japan	.27	.49	.51	.85	2.00	1.62
All other	-	-	.51	-	-	.62
Average	.30	.30	.27	.39	.23	.19

1/ Less than 500 pounds.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--Includes imports only from temperate countries that are known to supply fish similar to that produced in Canada and New England. Does not include imports from Peru or Ecuador, which predominantly supply tropical varieties of fish although they are known to supply some whiting.

Table J-5.--Other fish under investigation, frozen, whole or processed by removal of heads, viscera, or fins, or any combination thereof, but not otherwise processed (TSUSA item 110.3575 part): U.S. imports for consumption by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Rep. of South Africa	3,101	3,623	2,056	3,535	6,242	5,693
Argentina	1,937	2,719	3,918	2,210	3,126	2,251
Uruguay	343	57	552	116	2,106	268
Netherlands	1,047	661	265	326	595	542
Canada	693	462	318	413	445	496
All other	2,428	1,915	2,044	630	364	442
Total	9,549	9,437	9,153	7,230	12,878	9,692
	Value (1,000 dollars)					
Rep. of South Africa	689	913	515	1,151	2,346	2,691
Argentina	312	572	648	401	796	544
Uruguay	75	31	106	37	564	124
Netherlands	1,498	1,019	640	724	1,372	1,795
Canada	292	140	127	285	239	273
All other	1,060	1,097	1,148	617	606	735
Total	3,926	3,772	3,184	3,215	5,923	6,162
	Unit value (dollars per pound)					
Rep. of South Africa	.22	.25	.25	.33	.38	.47
Argentina	.16	.21	.17	.18	.25	.24
Uruguay	.22	.54	.19	.32	.27	.46
Netherlands	1.43	1.54	2.42	2.22	2.31	3.31
Canada	.42	.30	.40	.69	.54	.55
All other	.44	.57	.56	.98	1.66	1.66
Average	.41	.40	.35	.44	.46	.64

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Includes imports only from temperate countries that are known to supply fish similar to that produced in Canada and New England. Does not include imports from Peru or Ecuador, which predominantly supply tropical varieties of fish although they are known to supply some whiting.

Table J-6.--Atlantic ocean perch, otherwise processed, whether or not heads, viscera, fins, scales, or any combination thereof have been removed (TSUSA item 110.5520 1/): U.S. imports for consumption, by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Canada	56,094	63,763	53,887	37,217	42,329	40,244
Iceland	1,221	1,525	4,647	5,753	3,925	11,140
United Kingdom	109	203	451	932	561	490
St. Pierre	416	484	487	590	158	108
Norway	687	281	151	200	151	324
All other	1,138	1,336	723	546	436	475
Total	59,666	67,592	60,346	45,239	47,561	52,780
	Value (1,000 dollars)					
Canada	26,372	35,600	41,832	32,664	39,830	41,769
Iceland	637	853	3,425	4,547	3,478	9,850
United Kingdom	64	111	328	702	459	419
St. Pierre	181	270	395	523	151	101
Norway	310	134	96	148	134	288
All other	545	756	503	380	353	421
Total	28,109	37,723	46,578	38,964	44,406	52,848
	Unit value (dollars per pound)					
Canada	.47	.56	.78	.88	.94	1.04
Iceland	.52	.56	.74	.79	.89	.88
United Kingdom	.59	.55	.73	.75	.82	.86
St. Pierre	.44	.56	.81	.89	.95	.95
Norway	.45	.48	.64	.74	.89	.90
All other	.48	.58	.70	.70	.81	.89
Average	.47	.56	.77	.86	.93	1.00

1/ Includes TSUSA items 110.5025 and 110.5030 prior to 1976.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-7.--Cod, fresh or chilled, otherwise processed, whether or not heads, viscera, fins, scales, or any combination thereof have been removed (TSUSA item 110.5545 1/): U.S. imports for consumption, by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Canada	2,858	3,436	5,005	3,625	3,896	7,447
Norway	1	105	1	0	47	35
New Zealand	0	0	0	0	16	0
Iceland	8	28	12	3	2/	5
Spain	0	0	0	31	0	0
All other	211	536	88	7	0	1
Total	3,079	4,104	5,105	3,667	3,959	7,487
	Value (1,000 dollars)					
Canada	2,296	2,622	4,578	3,764	4,199	8,251
Norway	1	82	1	-	47	56
New Zealand	-	-	-	-	11	-
Iceland	8	24	11	4	1	8
Spain	-	-	-	23	-	-
All other	140	246	74	9	-	1
Total	2,445	2,975	4,665	3,799	4,258	8,316
	Unit value (dollars per pound)					
Canada	.80	.76	.91	1.04	1.08	1.11
Norway	.95	.79	1.00	-	.99	1.61
New Zealand	-	-	-	-	.69	-
Iceland	.95	.87	.94	1.05	1.67	1.72
Spain	-	-	-	.73	-	-
All other	.66	.46	.85	1.17	-	1.05
Total	.79	.72	.91	1.04	1.08	1.11

1/ Includes TSUSA item 110.5045 prior to 1978.
2/ Less than 500 pounds.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-8.--Cod, frozen, otherwise processed, whether or not heads, viscera, fins, scales, or any combination thereof have been removed (TSUSA item 110.5550 1/): U.S. imports for consumption, by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Iceland	29,932	40,834	50,174	58,871	67,328	73,198
Canada	16,064	20,727	23,166	26,177	35,457	43,367
Norway	5,806	10,094	11,623	16,017	15,131	7,514
Denmark	12,478	12,170	17,962	13,228	9,121	7,537
Japan	1,243	1,680	3,222	2,217	2,050	3,565
All other	2,952	1,408	7,194	2,090	1,960	1,990
Total	68,475	86,913	113,342	118,600	131,047	137,170
	Value (1,000 dollars)					
Iceland	25,272	34,211	46,189	62,599	73,923	95,574
Canada	12,009	13,956	18,253	24,997	36,152	44,729
Norway	4,376	7,874	10,004	16,628	17,264	9,395
Denmark	9,983	9,887	15,400	14,382	10,198	9,678
Japan	781	940	2,118	1,931	2,115	3,426
All other	2,078	927	5,791	2,006	2,031	2,100
Total	54,500	67,795	97,754	122,544	141,683	164,901
	Unit value (cents per pound)					
Iceland	84	84	92	106	110	131
Canada	75	67	79	95	102	103
Norway	75	78	86	104	114	125
Denmark	80	81	86	109	112	128
Japan	63	56	66	87	103	96
All other	70	66	80	96	104	106
Average	80	78	85	103	108	120

1/ Includes TSUSA item 110.5050 prior to 1978 and TSUSA item 110.5000 in 1978-79.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-9.--Cusk, haddock, hake, and pollock, fresh or chilled, otherwise processed, whether or not heads, viscera, fins, scales, or any combination thereof have been removed (TSUSA item 110.5565 1/): U.S. imports for consumption, by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Canada	1,676	2,333	2,268	2,450	2,994	3,632
Iceland	84	77	558	463	276	197
Norway	0	1	0	0	25	40
Dominican Republic	0	0	0	0	6	0
Romania	0	0	1	2	1	1
All other	71	113	108	94	0	47
Total	1,830	2,524	2,935	3,009	3,301	3,916
	Value (1,000 dollars)					
Canada	1,388	1,905	2,242	2,374	3,145	3,998
Iceland	81	66	460	419	303	239
Norway	-	1	-	-	35	55
Dominican Republic	-	-	-	-	5	-
Romania	-	-	1	2	1	1
All other	39	80	81	71	-	43
Total	1,508	2,052	2,784	2,866	3,490	4,336
	Unit value (cents per pound)					
Canada	83	82	99	97	105	110
Iceland	96	86	82	90	110	121
Norway	-	110	-	-	145	140
Dominican Republic	-	-	-	-	90	-
Romania	-	-	125	125	125	125
All other	56	71	75	75	-	92
Average	82	81	95	95	106	111

1/ Includes TSUSA item 110.5065 prior to 1978.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-10.--Cusk, haddock, hake, and pollock, frozen, otherwise processed, whether or not heads, viscera, fins, scales, or any combination thereof have been removed (TSUSA item 110.5570 1/): U.S. imports for consumption, by principal sources, 1974-79

Source	1974	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, product weight)					
Iceland	6,568	13,301	13,371	16,522	17,367	23,568
Canada	4,483	6,576	6,936	9,864	16,283	17,696
Denmark	4,943	4,558	7,780	8,644	7,123	4,063
Norway	9,730	9,922	10,031	6,011	3,961	4,124
United Kingdom	4,644	3,478	6,249	4,363	1,713	80
All other	1,935	1,389	2,192	1,502	791	2,073
Total	32,302	39,223	46,559	46,907	47,238	51,603
	Value (1,000 dollars)					
Iceland	5,210	8,629	10,035	14,581	17,381	26,398
Canada	2,563	3,791	4,609	7,479	14,310	16,674
Denmark	3,779	3,568	6,646	8,970	7,877	5,045
Norway	7,048	7,190	8,040	6,401	4,576	4,914
United Kingdom	3,236	2,364	4,956	4,031	1,604	106
All other	874	557	1,399	843	490	1,414
Total	22,709	26,098	35,686	42,305	46,239	54,552
	Unit value (cents per pound)					
Iceland	79	65	75	88	100	112
Canada	57	58	66	76	88	94
Denmark	76	78	85	104	111	124
Norway	72	72	80	106	116	119
United Kingdom	70	68	79	92	94	133
All other	45	40	64	56	62	68
Total	70	67	77	90	98	106

1/ Includes TSUSA item 110.5070 prior to 1978.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-11.--Whole groundfish of species subject to countervailing duty waivers: U.S. imports for consumption through east coast customs districts, from all sources, by species, 1975-79

Species	1975	1976	1977	1978	1979
	Quantity (1,000 pounds product weight)				
Flatfish, except halibut:					
Fresh or chilled	1,726	2,025	1,558	1,703	2,934
Frozen	3,667	3,089	3,168	2,584	3,599
Total	5,393	5,114	4,726	4,287	6,533
Atlantic ocean perch	433	1,569	149	391	44
Wolf fish and whiting:					
Fresh or chilled	4,497	4,939	6,213	5,779	6,444
Frozen	35,521	20,980	19,840	24,549	21,612
Total	40,018	25,906	26,053	30,328	28,056
Grand total	45,844	32,584	30,928	35,006	34,633
	Value (1,000 dollars)				
Flatfish, except halibut:					
Fresh or chilled	459	508	641	658	928
Frozen	4,089	5,658	4,951	4,641	7,498
Total	4,548	6,166	5,592	5,299	8,426
Atlantic ocean perch	192	689	60	424	17
Wolf fish and whiting:					
Fresh or chilled	1,610	2,515	5,298	4,839	4,675
Frozen	11,233	7,215	8,439	11,351	12,209
Total	12,843	9,730	13,737	16,190	16,884
Grand total	17,583	16,585	19,349	21,913	25,327
	Unit value (cents per pound)				
Flatfish, except halibut:					
Fresh or chilled	26.6	25.1	41.1	38.6	31.6
Frozen	111.5	183.2	156.3	179.6	208.3
Total	84.3	120.6	118.3	123.6	128.9
Atlantic ocean perch	44.3	43.9	40.3	108.4	38.6
Wolf fish and whiting					
Fresh or chilled	35.8	50.9	85.3	83.7	72.5
Frozen	31.6	34.4	42.5	46.2	56.5
Total	32.1	37.6	52.7	53.4	60.2
Grand total	38.4	50.9	62.6	62.6	73.1

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-12.--Whole groundfish of species subject to countervailing duty waivers: U.S. imports for consumption through east coast customs districts, from Canada, by species, 1975-79

Species	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, round weight)				
Flatfish, except halibut:					
Fresh or chilled	1,650	1,950	1,781	1,517	2,792
Frozen	325	90	96	218	345
Total	1,975	2,040	1,877	1,735	3,137
Atlantic ocean perch	49	491	44	77	33
Wolf fish and whiting					
Fresh or chilled	12	88	55	175	458
Frozen	71	177	28	193	69
Total	83	265	83	368	527
Grand total	2,107	2,796	2,004	2,180	3,697
	Value (1,000 dollars)				
Flatfish, except halibut:					
Fresh or chilled	408	469	478	454	726
Frozen	154	50	47	221	367
Total	562	519	525	675	1,093
Atlantic ocean perch	25	66	40	61	6
Wolf fish and whiting:					
Fresh or chilled	8	20	23	68	125
Frozen	43	65	18	108	22
Total	51	85	41	176	147
Grand total	638	670	606	912	1,246
	Unit value (cents per pound)				
Flatfish, except halibut:					
Fresh or chilled	24.7	24.0	26.8	29.9	26.0
Frozen	47.4	55.6	48.9	101.4	106.4
Total	28.5	25.4	28.0	38.9	34.8
Atlantic ocean perch	51.0	13.4	90.9	79.2	18.2
Wolf fish and whiting:					
Fresh or chilled	66.7	22.7	41.8	38.9	27.3
Frozen	60.6	36.7	64.3	55.9	31.9
Total	61.4	32.1	49.4	47.8	27.9
Grand total	30.3	24.0	30.2	41.8	33.7

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table J-13.--Whole and filleted groundfish of species subject to countervailing duty waivers: U.S. imports for consumption through east coast customs districts, from all sources, by species, 1975-79

Species and type	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, fillet weight)				
Whole groundfish 1/	13,753	4,666	8,858	10,562	10,390
Filleted groundfish:					
Atlantic ocean perch	67,567	60,343	45,197	47,493	52,780
Cod:					
Fresh or chilled	3,625	4,728	3,505	3,554	6,762
Frozen	84,592	109,700	115,448	128,576	133,903
Total	88,227	114,428	118,953	132,130	140,665
Cusk, haddock, hake, and pollock:					
Fresh or chilled	2,524	2,924	2,964	3,276	3,805
Frozen	39,013	46,055	46,041	46,339	50,141
Total	41,537	48,979	49,005	49,615	53,946
Total, fillets	197,331	223,750	213,155	229,238	247,391
Grand total	211,084	228,416	222,013	239,800	257,781
	Value (1,000 dollars)				
Whole groundfish 2/	17,583	10,429	14,091	17,557	25,327
Filleted groundfish:					
Atlantic ocean perch	37,701	46,575	38,931	44,355	52,848
Cod:					
Fresh or chilled	2,655	4,383	3,646	3,841	7,401
Frozen	66,209	95,120	119,660	139,080	161,508
Total	68,864	99,503	123,306	142,921	168,909
Cusk, haddock, hake and pollock:					
Fresh or chilled	2,052	2,779	2,848	3,468	4,222
Frozen	26,016	35,491	41,834	45,575	53,438
Total	28,068	38,270	44,682	49,043	57,660
Total, fillets	134,633	184,348	206,919	236,319	279,417
Grand total	152,216	194,777	221,010	253,876	304,744
	Unit value (cents per pound)				
Whole groundfish 3/	127.8	223.5	159.1	166.2	243.8
Filleted groundfish:					
Atlantic ocean perch	55.8	77.2	86.1	93.4	100.1
Cod:					
Fresh or chilled	73.2	92.7	104.0	108.1	109.4
Frozen	78.3	86.7	103.6	108.2	120.1
Total	78.1	86.9	103.7	108.2	120.1
Cusk, haddock, hake, and pollock:					
Fresh or chilled	81.3	95.0	96.1	105.9	110.1
Frozen	66.7	77.1	90.9	98.4	106.6
Total	67.6	78.1	91.2	98.8	106.9
Total, fillets	68.2	82.3	97.1	103.1	112.9
Grand total	72.1	85.3	99.5	105.9	118.2

1/ Quantity as reported by the U.S. Department of Commerce, converted to fillet weight using a factor of 30 percent.

2/ As reported by the U.S. Department of Commerce.

3/ Full value as reported by the U.S. Department of Commerce, divided by fillet weight.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table J-14.--Whole and filleted groundfish of species subject to countervailing duty waivers. U.S. imports for consumption through east coast customs districts, from Canada, by species, 1975-79

Species and type	1975	1976	1977	1978	1979
	Quantity (1,000 pounds, fillet weight)				
Whole groundfish 1/	632	839	600	654	1,109
Filleted groundfish:					
Atlantic ocean perch	61,446	53,884	37,197	42,324	40,244
Cod:					
Fresh or chilled	2,956	4,670	3,471	3,508	6,724
Frozen	19,321	22,267	25,515	35,169	43,145
Total	22,277	26,937	28,986	38,677	49,869
Cusk, haddock, hake, and pollock:					
Fresh or chilled	2,333	2,267	2,446	2,969	3,520
Frozen	6,576	6,860	9,767	15,894	17,339
Total	8,909	9,127	12,213	18,863	20,859
Total, fillets	92,632	89,948	78,396	99,864	110,972
Grand total	93,264	90,787	78,996	100,518	112,081
	Value (1,000 dollars)				
Whole groundfish 2/	640	670	607	913	1,246
Filleted groundfish:					
Atlantic ocean perch	34,262	41,829	32,646	39,824	41,769
Cod:					
Fresh or chilled	2,303	4,338	3,620	3,793	7,337
Frozen	12,998	17,641	24,345	35,784	44,473
Total	15,301	21,979	27,965	39,577	51,810
Cusk, haddock, hake, and pollock:					
Fresh or chilled	1,905	2,241	2,370	3,123	3,886
Frozen	3,791	4,568	7,420	13,989	16,351
Total	5,696	6,809	9,790	17,112	20,237
Total, fillets	55,259	70,617	70,401	96,513	113,816
Grand total	55,899	71,287	71,008	97,426	115,062
	Unit value (cents per pound)				
Whole groundfish 3/	101.3	79.8	101.2	139.6	112.4
Filleted groundfish					
Atlantic ocean perch	55.7	77.6	87.8	94.1	103.8
Cod:					
Fresh or chilled	77.9	92.9	104.3	108.1	109.1
Frozen	67.3	79.2	95.4	101.7	103.1
Total	68.7	81.6	96.5	102.3	103.9
Cusk, haddock, hake and Pollock:					
Fresh or chilled	81.7	90.8	96.9	105.2	114.5
Frozen	57.6	66.6	76.0	88.0	110.4
Total	63.9	74.6	80.2	90.7	97.0
Total, fillets	59.6	78.5	89.8	96.6	102.6
Grand total	59.9	78.5	89.9	96.9	102.7

1/ Quantity as reported by the U.S. Department of Commerce, converted to fillet weight using a factor of 30 percent.

2/ As reported by the U.S. Department of Commerce.

3/ Full value as reported by the U.S. Department of Commerce, divided by fillet weight.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

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Table J-15.--Whole groundfish of species subject to countervailing duty waivers: East coast U.S. landings, U.S. imports for consumption through east coast customs districts, and apparent east coast consumption, 1975-79

Year	East coast landings	U.S. imports through east coast customs districts			Apparent U.S. consumption	Ratio to apparent U.S. consumption of imports from--		
		From Canada	From all other sources	From all sources		Canada	All other sources	All sources
	1,000 pounds, round weight					Percent		
1975	180,098	2,107	43,737	45,844	225,942	0.9	18.6	20.3
1976	188,393	2,796	29,788	32,584	220,977	1.3	13.5	14.7
1977	197,828	2,004	28,924	30,928	228,756	0.9	12.6	13.5
1978	202,586	2,120	32,826	35,006	237,592	0.9	13.8	14.7
1979	211,864	3,697	30,936	34,633	246,497	1.5	12.6	14.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table J-16.--Filleted groundfish of species subject to countervailing duty waivers: East coast U.S. production, U.S. imports for consumption through east coast customs districts, and apparent east coast consumption, 1975-79

Year	East coast production	U.S. imports through east coast customs districts			Apparent east coast U.S. consumption	Ratio to apparent U.S consumption of imports from--		
		From Canada	From all other sources	From all sources		Canada	All other sources	All sources
	1,000 pounds, fillet weight					Percent		
1975	32,277	92,632	104,689	197,321	229,598	40.3	45.6	85.9
1976	32,855	89,948	133,802	223,750	256,605	35.0	52.1	87.2
1977	45,515	78,396	134,759	213,155	258,670	30.3	52.1	82.4
1978	53,417	99,864	129,374	229,238	282,655	35.3	45.8	81.1
1979	58,200	110,972	136,419	247,391	305,591	36.3	44.6	81.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note.--East coast production and imports of whole groundfish converted from round weight to fillet weight using a factor of 30 percent.

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Table J-17.--Whole and filleted groundfish of species subject to countervailing duty waivers: Eastern U.S. production, imports for consumption through eastern U.S. customs districts and eastern U.S. apparent consumption, 1975-78

Year	Eastern U.S. production	U.S. imports through eastern U.S. customs districts 1/				Apparent Eastern U.S. consumption	Ratio of imports to apparent consumption of imports from--				
		From Canada			From all other sources	From all sources	Canada of--			All other sources	All sources
		Groundfish subject to this investigation	Other 2/	Total			Groundfish subject to this investigation	other imports	All imports		
	1,000 pounds, fillet weight						Percent				
1975	86,306	93,284	44,230	137,514	171,709	309,223	395,529	23.6	11.2	34.8	43.4	78.2
1976	89,368	90,787	49,651	140,438	186,687	327,125	416,493	21.8	11.9	33.7	44.0	78.5
1977	104,863	78,996	52,696	131,692	184,295	315,987	420,850	18.8	12.5	31.3	43.8	75.1
1978	114,193	100,518	53,750	154,268	179,047	333,315	447,508	22.5	12.0	34.5	40.0	74.5

1/ Consists of Atlantic ocean perch, cod, cusk, haddock, hake, pollock, wolf fish and flatfish (except halibut) in whole and fillet form and whiting in whole form.

2/ Consists of whole cod, cusk, haddock, hake, and pollock and fillets of wolf fish and flatfish, except halibut. Does not include fillets of whiting, which are not separately classified.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--Eastern U.S. production and imports of whole fish through eastern U.S. customs districts converted from round weight to fillet weight using a factor of 30 percent.

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Appendix K

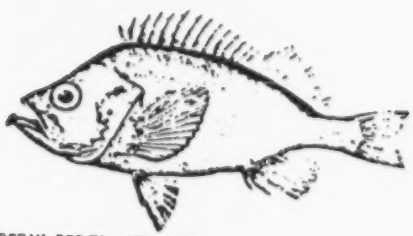
Pictorial Display of Representative Groundfish

Figure 6.--Representative groundfish

COD
RANGE - VIRGINIA TO MAINE, WASHINGTON, AND ALASKA
GEAR - OTTER TRAWLS, LONGLINES, GILL NETS

CUSK
RANGE - NEW ENGLAND
GEAR - OTTER TRAWLS, LONGLINES

POLLOCK, ATLANTIC
RANGE - ATLANTIC
GEAR - OTTER TRAWLS, LONGLINES, GILL NETS



OCEAN PERCH, ATLANTIC
RANGE - NEW ENGLAND
GEAR - OTTER TRAWLS

HADDOCK
RANGE - NEW ENGLAND STATES
GEAR - OTTER TRAWLS, GILL NETS, LONGLINES

HAKE, RED
RANGE - CHESAPEAKE BAY TO NEW ENGLAND
GEAR - GILL NETS, OTTER TRAWLS, LONGLINES

HAKE, WHITE
RANGE - CHESAPEAKE BAY TO NEW ENGLAND
GEAR - GILL NETS, OTTER TRAWLS, LONGLINES

WHITING, PACIFIC
RANGE - PACIFIC
GEAR - OTTER TRAWLS

HALIBUT
RANGE - PACIFIC COAST - NEW ENGLAND
GEAR - LONGLINES, OTTER TRAWLS

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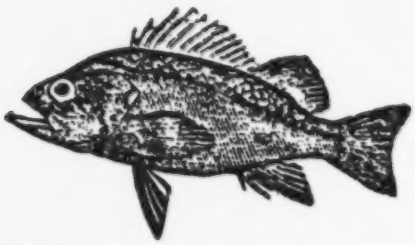
Figure 6.--Representative groundfish-continued

WHITING, ATLANTIC
RANGE - VIRGINIA TO MAINE
GEAR - OTTER TRAWLS

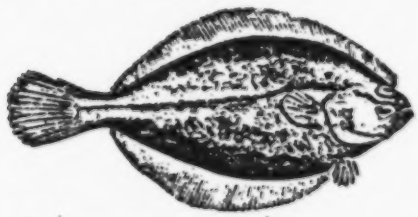
WOLFFISH
RANGE - MASSACHUSETTS AND MAINE
GEAR - OTTER TRAWLS, LONGLINES



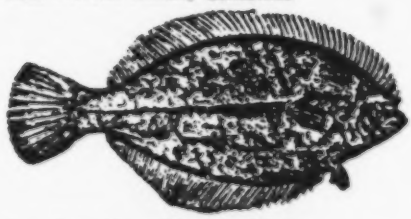
ROCKFISH
RANGE - CALIFORNIA TO ALASKA
GEAR - LINES, OTTER TRAWLS, PARANZELLA NETS, GILL NETS

SABLEFISH
RANGE - PACIFIC COAST STATES AND ALASKA
GEAR - LONGLINES, OTTER TRAWLS

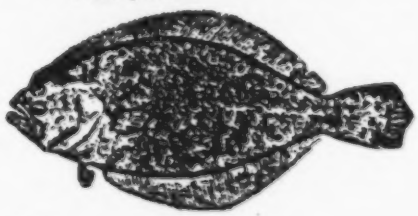
LEMON SOLE
RANGE - NEW YORK TO MAINE
GEAR - OTTER TRAWLS



DAB
RANGE - MASSACHUSETTS TO NOVA SCOTIA
GEAR - OTTER TRAWLS, LONGLINES



BLACKBACK OR WINTER FLOUNDER
RANGE - NORTH CAROLINA TO MAINE
GEAR - OTTER TRAWLS, POUND NETS, FYKE NETS, SPEARS, LINES



FLUKE
RANGE - TEXAS TO MASSACHUSETTS
GEAR - OTTER TRAWL, SPEARS, LINES

Source: National Marine Fisheries Service, Fisheries Statistics of the U.S.

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APPENDIX L

Pacific Coast Processors'
Official "Trip Limit" Letters

Dalgety Seafoods

NOTICE TO ALL DALGETY SEAFOODS FISHERMEN

In compliance with paragraph 8 of the Fishermens Marketing Assoication of Washington Agreement, Dalgety Seafoods hereby issues written notice of limits on the species listed below effective November 8, 1979.

Species	Limit/Delivery
Dover Sole	20,000 lbs.
English Sole	10,000
Rex Sole	500
Bellingham Sole	0
Sand Dabs	500
Rockfish	40,000 lbs.
Brown Rockfish	0
Pacific Ocean Perch	10,000 lbs.
True Cod	40,000
Ling Cod	40,000
Round Sable 3 lbs under	1,000
Dressed Sable 3 lbs under	2,000
Turbot - Last day fish	5,000
Skate Wings	0

As noted before, please call in when you have 25,000 lbs, and do not bring in a load over 40,000 pounds total unless you have received our authorization to continue fishing due to market conditions. If you failed to contact us, we will have the right to refuse that amount over 40,000 lbs.

Sincerely,

* * *

***

Superintendent

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NEW ENGLAND FISH COMPANY
PIER 65 SEATTLE, WASH. 98121 • AREA CODE 206 • 284 2750
SINCE 1868

November 20, 1979

* * *

Dear *** ;

Following are the limits and delivery dates for the ***. These limits will be strictly enforced and will be effective until changed or suspended in writing. You will also communicate daily on fishing conditions.

DELIVERY DATE IN SEATTLE	PRODUCT LIMITS
December 5	50,000# Rockfish
January 4	20,000# Sole
	20,000# Cod
	10,000# Perch

Any deliveries made to Warrenton shall be at one-half (½) the limits of Seattle deliveries. Such deliveries will be co-ordinated through Seattle.

Thank you,

NEW ENGLAND FISH COMPANY

* * *

***

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TELETYPE 910 444 2188 • CABLE NEFCO 149

United States International Trade Commission.
Fish, fresh, chilled or frozen, whether or not whole, but not otherwise prepared or preserved, from Canada : determination of no material injury or threat thereof in investigation no. 701-TA-40 (final) under section 104(a) of the Trade agreements act of 1979, together with the information obtained in the investigation / USITC. -- Washington : USITC, 1980.

32, A-121 p.: ill. ; 28 cm. -- (USITC publication ; 1066)

"Prepared principally by Tom Lopp."

1. Fish. 2. Fish, Canned. 3. Fish, Frozen. I. Lopp, Tom. II. Title.